



Overstrand Municipality

Annual Financial Statements
for the year ended 30 June 2013

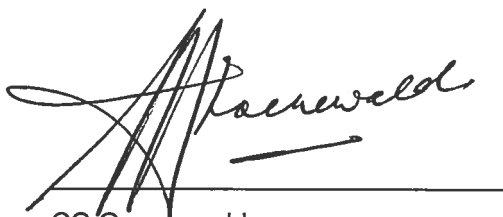
**OVERSTRAND MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 June 2013

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 84, in terms of Section 126(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the notes of these annual financial statement are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

A handwritten signature in black ink, appearing to read 'Groenewald', is written over a horizontal line.

CC Groenewald

Municipal Manager

30 August 2013

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Position as at 30 June 2013

Figures in Rand	Note(s)	2013	2012
Assets			
Current Assets			
Inventories	10	18,916,422	16,440,811
Operating lease asset		856,960	925,903
Receivables from exchange transactions	11	25,548,796	21,633,678
Receivables from non-exchange transactions	12	11,606,866	8,512,324
VAT receivable	13	8,346,728	5,429,460
Consumer debtors	14	49,080,265	50,361,117
Long term receivables	9	17,432	25,298
Cash and cash equivalents	15	84,147,296	126,699,467
		198,520,765	230,028,058
Non-Current Assets			
Investment property	3	175,866,200	104,672,500
Property, plant and equipment	4	3,006,327,423	2,964,461,713
Intangible assets	5	4,448,587	3,547,265
Heritage assets	6	99,322,044	108,552,044
Other financial assets	7	11,596,589	5,691,303
Long term receivables	9	83,571	126,072
		3,297,644,414	3,187,050,897
Non-current assets held for sale and assets of disposal groups	16	1,025,005	22,048,631
Total Assets		3,497,190,184	3,439,127,586
Liabilities			
Current Liabilities			
Other financial liabilities	19	17,756,093	16,423,592
Finance lease obligation	17	484,773	374,480
Payables from exchange transactions	21	66,837,651	63,172,122
Consumer deposits	22	34,932,021	31,206,422
Retirement benefit obligation	8	2,033,000	1,943,000
Unspent conditional grants	18	7,783,323	4,555,477
Provisions	20	25,636,521	19,904,493
		155,463,382	137,579,586
Non-Current Liabilities			
Other financial liabilities	19	364,394,191	340,580,681
Finance lease obligation	17	259,781	623,289
Retirement benefit obligation	8	79,887,000	71,562,000
Provisions	20	39,431,887	39,534,817
		483,972,859	452,300,787
Total Liabilities		639,436,241	589,880,373
Net Assets		2,857,753,943	2,849,247,213
Reserves			
Housing development fund		1,891,493	1,919,828
Accumulated surplus		2,855,862,450	2,847,327,385
Total Net Assets		2,857,753,943	2,849,247,213

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012
Revenue			
Revenue from exchange transactions			
Service charges	24	437,030,176	405,414,708
Rental of facilities and equipment		7,208,321	6,742,524
Licences and permits		1,968,301	1,786,476
Agency services		2,025,238	1,911,799
Other income	27	21,812,393	17,374,511
Interest received	33	9,752,077	9,211,219
Total revenue from exchange transactions		479,796,506	442,441,237
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	116,321,052	108,912,930
Property rates - penalties imposed	23	914,328	924,860
Transfer revenue			
Government grants and subsidies	25	95,488,947	92,837,984
Public contributions and donations	26	5,289,119	8,602,805
Fines		6,643,860	5,278,097
Total revenue from non-exchange transactions		224,657,306	216,556,676
Total revenue		704,453,812	658,997,913
Expenditure			
Employee costs	30	(231,525,475)	(207,938,265)
Remuneration of councillors	31	(7,084,131)	(6,717,244)
Depreciation and amortisation	35	(96,076,386)	(100,929,965)
Impairment loss/ Reversal of impairments	36	(9,204,060)	(3,111,159)
Finance costs	37	(37,309,747)	(31,727,084)
Debt impairment	32	(934,421)	(27,541)
Materials	43	(12,446,782)	(54,586,579)
Bulk purchases	41	(145,021,600)	(126,669,077)
Contracted services	39	(67,606,241)	(24,078,792)
Grants and subsidies paid	40	(35,856,345)	(28,454,141)
General Expenses	28	(102,079,761)	(151,001,400)
Total expenditure		(745,144,949)	(735,241,247)
Operating deficit	29	(40,691,137)	(76,243,334)
(Loss) / Gain on disposal of assets and liabilities		(1,755,579)	1,920,086
Fair value adjustments	34	49,648,749	(7,288,753)
		47,893,170	(5,368,667)
Surplus / (Deficit) for the year		7,202,033	(81,612,001)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing development fund	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	315,176,077	1,912,522	317,088,599	2,564,678,760	2,881,767,359
Adjustments					
Correction of errors	(315,176,077)	-	(315,176,077)	363,079,374	47,903,297
Change in accounting policy	-	-	-	1,181,252	1,181,252
Balance at 01 July 2011 as restated	-	1,912,522	1,912,522	2,928,939,386	2,930,851,908
Changes in net assets					
Surplus for the year	-	-	-	(81,612,001)	(81,612,001)
Transfer to Housing development fund	-	7,306	7,306	-	7,306
Total changes	-	7,306	7,306	(81,612,001)	(81,604,695)
Opening balance as previously reported	-	1,919,828	1,919,828	2,490,973,366	2,492,893,194
Adjustments					
Correction of errors	-	-	-	353,616,056	353,616,056
Change in accounting policy	-	-	-	2,737,961	2,737,961
Balance at 01 July 2012 as restated	-	1,919,828	1,919,828	2,847,327,383	2,849,247,211
Changes in net assets					
Surplus for the year	-	-	-	7,202,033	7,202,033
Transfer to / from Housing development fund	-	(28,335)	(28,335)	-	(28,335)
Transfer to / from Self insurance fund	-	-	-	1,333,034	1,333,034
Total changes	-	(28,335)	(28,335)	8,535,067	8,506,732
Balance at 30 June 2013	-	1,891,493	1,891,493	2,855,862,450	2,857,753,943

Note(s)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Cash Flow Statement

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Receipts			
Taxation		116,355,205	110,346,773
Sale of goods and services		440,786,985	410,072,946
Grants		98,716,792	92,582,436
Interest income		9,752,077	9,211,219
Other receipts		37,219,065	69,886,260
Movement in housing development fund and self insurance fund	43	1,304,700	7,306
		<u>704,134,824</u>	<u>692,106,940</u>
Payments			
Employee costs		(223,110,475)	(197,870,265)
Suppliers		(145,021,600)	(126,669,077)
Finance costs		(37,173,824)	(31,669,076)
Other payments		(219,188,667)	(224,073,957)
		<u>(624,494,566)</u>	<u>(580,282,375)</u>
Net cash flows from operating activities	42	79,640,258	111,824,565
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(141,545,358)	(162,346,177)
Proceeds from sale of property, plant and equipment	4	1,669,546	13,721,879
Purchase of investment property	3	(945,000)	-
Proceeds from sale of investment property	3	55,000	-
Purchase of other intangible assets	5	(1,273,858)	(928,401)
Movement in financial assets		(4,959,999)	(4,429,606)
Movement in long term receivables		50,367	19,951
Movement in non-current assets held for sale	43	-	2,188,527
Net cash flows from investing activities		(146,949,302)	(151,773,827)
Cash flows from financing activities			
Movement in other financial liabilities		25,146,011	95,705,267
Movement in Finance lease		(389,138)	939,761
Net cash flows from financing activities		24,756,873	96,645,028
Net increase / (decrease) in cash and cash equivalents		(42,552,171)	56,695,766
Cash and cash equivalents at the beginning of the year		126,699,467	70,003,701
Cash and cash equivalents at the end of the year	15	84,147,296	126,699,467

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	460,017,440	(12,789,850)	447,227,590	437,030,176	(10,197,414)	
Rental of facilities and equipment	8,010,863	181,240	8,192,103	7,208,321	(983,782)	58
Licences and permits	1,846,732	10,000	1,856,732	1,968,301	111,569	
Agency services	2,081,257	-	2,081,257	2,025,238	(56,019)	
Other income	20,764,915	202,892	20,967,807	21,812,393	844,586	
Investment revenue	7,420,140	2,500,000	9,920,140	9,752,077	(168,063)	
Total revenue from exchange transactions	500,141,347	(9,895,718)	490,245,629	479,796,506	(10,449,123)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	147,023,883	(28,894,650)	118,129,233	116,321,052	(1,808,181)	
Property rates - penalties imposed	1,000,000	-	1,000,000	914,328	(85,672)	
Government grants and subsidies	105,074,945	(2,217,324)	102,857,621	95,488,947	(7,368,674)	
Transfer revenue						
Public contributions and donations	6,600,000	(6,100,000)	500,000	5,289,119	4,789,119	58
Fines	6,229,064	20,000	6,249,064	6,643,860	394,796	
Total revenue from non-exchange transactions	265,927,892	(37,191,974)	228,735,918	224,657,306	(4,078,612)	
Total revenue	766,069,239	(47,087,692)	718,981,547	704,453,812	(14,527,735)	
Expenditure						
Employee costs	(229,090,679)	1,245,287	(227,845,392)	(231,525,475)	(3,680,083)	
Remuneration of councillors	(7,070,611)	(30,434)	(7,101,045)	(7,084,131)	16,914	
Depreciation and amortisation	(107,515,269)	1,969,791	(105,545,478)	(96,076,386)	9,469,092	
Impairment loss/ Reversal of impairments	-	(1,872,000)	(1,872,000)	(9,204,060)	(7,332,060)	58
Finance costs	(38,053,939)	-	(38,053,939)	(37,309,747)	744,192	
Debt impairment	(1,000,000)	-	(1,000,000)	(934,421)	65,579	
Materials	(12,697,030)	(582,145)	(13,279,175)	(12,446,782)	832,393	
Bulk purchases	(144,421,300)	700,000	(143,721,300)	(145,021,600)	(1,300,300)	
Contracted Services	(69,426,162)	(2,434,816)	(71,860,978)	(67,606,241)	4,254,737	
Grants and subsidies paid	(28,000,000)	(7,975,000)	(35,975,000)	(35,856,345)	118,655	
General Expenses	(153,779,529)	41,052,289	(112,727,240)	(102,079,761)	10,647,479	
Total expenditure	(791,054,519)	32,072,972	(758,981,547)	(745,144,949)	13,836,598	
Operating deficit	(24,985,280)	(15,014,720)	(40,000,000)	(40,691,137)	(691,137)	
Loss on disposal of assets and liabilities	-	-	-	(1,755,579)	(1,755,579)	58
Fair value adjustments	-	-	-	49,648,749	49,648,749	58
	-	-	-	47,893,170	47,893,170	
Surplus before taxation	(24,985,280)	(15,014,720)	(40,000,000)	7,202,033	47,202,033	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(24,985,280)	(15,014,720)	(40,000,000)	7,202,033	47,202,033	

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	7,089,288	-	7,089,288	18,916,422	11,827,134	58
Operating lease asset	-	-	-	856,960	856,960	
Receivables from exchange transactions	23,464,611	6,000,000	29,464,611	25,548,796	(3,915,815)	58
Receivables from non-exchange transactions	-	-	-	11,606,866	11,606,866	
VAT receivable	-	-	-	8,346,728	8,346,728	
Consumer debtors	50,309,000	-	50,309,000	49,080,265	(1,228,735)	
Long term receivables	24,474	-	24,474	17,432	(7,042)	58
Cash and cash equivalents	87,646,379	13,872,056	101,518,435	84,147,296	(17,371,139)	58
	168,533,752	19,872,056	188,405,808	198,520,765	10,114,957	
Non-Current Assets						
Investment property	87,289,228	-	87,289,228	175,866,200	88,576,972	58
Property, plant and equipment	3,115,953,103	(40,945,042)	3,075,008,061	3,006,327,423	(68,680,638)	
Intangible assets	3,421,957	-	3,421,957	4,448,587	1,026,630	58
Heritage assets	-	-	-	99,322,044	99,322,044	58
Other financial assets	11,020,000	-	11,020,000	11,596,589	576,589	
Long term receivables	109,736	-	109,736	83,571	(26,165)	58
	3,217,794,024	(40,945,042)	3,176,848,982	3,297,644,414	120,795,432	
Non-current assets held for sale	-	-	-	1,025,005	1,025,005	58
Total Assets	3,386,327,776	(21,072,986)	3,365,254,790	3,497,190,184	131,935,394	
Liabilities						
Current Liabilities						
Other financial liabilities	18,401,440	-	18,401,440	17,756,093	(645,347)	
Finance lease obligation	-	-	-	484,773	484,773	
Payables from exchange transactions	63,991,960	(4,198,035)	59,793,925	66,837,651	7,043,726	58
Consumer deposits	34,913,828	-	34,913,828	34,932,021	18,193	
Retirement benefit obligation	2,033,000	-	2,033,000	2,033,000	-	
Unspent conditional grants	-	-	-	7,783,323	7,783,323	58
Provisions	9,398,956	(4,992,983)	4,405,973	25,636,521	21,230,548	58
	128,739,184	(9,191,018)	119,548,166	155,463,382	35,915,216	
Non-Current Liabilities						
Other financial liabilities	372,042,446	(1,300,000)	370,742,446	364,394,191	(6,348,255)	
Finance lease obligation	-	-	-	259,781	259,781	
Retirement benefit obligation	72,173,298	7,713,702	79,887,000	79,887,000	-	
Provisions	46,088,519	(3,280,950)	42,807,569	39,431,887	(3,375,682)	
	490,304,263	3,132,752	493,437,015	483,972,859	(9,464,156)	
Total Liabilities	619,043,447	(6,058,266)	612,985,181	639,436,241	26,451,060	
Net Assets	2,767,284,329	(15,014,720)	2,752,269,609	2,857,753,943	105,484,334	
Net Assets						
Revaluation reserve	315,176,077	-	315,176,077	-	(315,176,077)	58
Housing development fund	1,913,403	-	1,913,403	1,891,493	(21,910)	
Accumulated surplus	2,450,194,849	(15,014,720)	2,435,180,129	2,855,862,450	420,682,321	58
Total Net Assets	2,767,284,329	(15,014,720)	2,752,269,609	2,857,753,943	105,484,334	

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Taxation	143,940,328	(28,895,000)	115,045,328	116,355,205	1,309,877	
Sale of goods and services	455,374,052	-	455,374,052	440,786,985	(14,587,067)	
Grants	103,491,857	3,032,798	106,524,655	98,716,792	(7,807,863)	
Interest income	7,420,140	2,500,000	9,920,140	9,752,077	(168,063)	
Other receipts	60,492,505	(3,746,005)	56,746,500	37,219,065	(19,527,435)	58
Movement in housing development fund and self insurance fund	-	-	-	1,304,700	1,304,700	58
	770,718,882	(27,108,207)	743,610,675	704,134,824	(39,475,851)	
Payments						
Employee costs	(221,660,640)	-	(221,660,640)	(223,110,475)	(1,449,835)	
Suppliers	(144,421,300)	-	(144,421,300)	(145,021,600)	(600,300)	
Finance costs	(38,053,939)	-	(38,053,939)	(37,173,824)	880,115	
Other payments	(254,424,052)	16,184,343	(238,239,709)	(219,188,667)	19,051,042	
	(658,559,931)	16,184,343	(642,375,588)	(624,494,566)	17,881,022	
Net cash flows from operating activities	112,158,951	(10,923,864)	101,235,087	79,640,258	(21,594,829)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(186,197,629)	1,542,832	(184,654,797)	(141,545,358)	43,109,439	58
Proceeds from sale of property, plant and equipment	-	-	-	1,669,546	1,669,546	
Purchase of investment property	-	-	-	(945,000)	(945,000)	
Proceeds from sale of investment property	-	-	-	55,000	55,000	
Purchase of other intangible assets	-	-	-	(1,273,858)	(1,273,858)	
Movement in financial assets	(4,046,979)	-	(4,046,979)	(4,959,999)	(913,020)	
Movement in long term receivables	39,783	-	39,783	50,367	10,584	
Movement in non-current assets held for sale	30,000,000	-	30,000,000	-	(30,000,000)	
Net cash flows from investing activities	(160,204,825)	1,542,832	(158,661,993)	(146,949,302)	11,712,691	
Cash flows from financing activities						
Movement in other liabilities	33,545,874	(1,300,000)	32,245,874	25,146,011	(7,099,863)	
Movement in finance lease	-	-	-	(389,138)	(389,138)	
Net cash flows from financing activities	33,545,874	(1,300,000)	32,245,874	24,756,873	(7,489,001)	
Net increase / (decrease) in cash and cash equivalents	(14,500,000)	(10,681,032)	(25,181,032)	(42,552,171)	(17,371,139)	
Cash and cash equivalents at the beginning of the year	102,146,379	24,553,088	126,699,467	126,699,467	-	
Cash and cash equivalents at the end of the year	87,646,379	13,872,056	101,518,435	84,147,296	(17,371,139)	

OVERSTRAND MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2013

Appropriation Statement

Appropriation Statement															
Figures in Rand		Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Final Adjustment Budget	Shifting of Funds S31 of MFMA	Virement R'000 (i.t.o. council approved policy)	2013			2012					
							Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised i.t.o s32 of MFMA	Balance to be recovered
Financial Performance															
Property rates	148,023,883	(28,894,650)	119,129,233	-	-	-	119,129,233	117,235,380		(1,893,853)	98%	79%			109,837,790
Service charges	460,017,440	(12,789,850)	447,227,590	-	-	-	447,227,590	437,030,176		(10,197,414)	98%	95%			405,414,708
Investment Revenue	7,420,140	2,500,000	9,920,140	-	-	-	9,920,140	9,732,077		(188,063)	98%	131%			9,211,219
Transfers recognised - Operational	41,033,000	925,465	41,958,465	-	-	-	41,958,465	41,680,240		(278,225)	99%	102%			38,005,191
Other own revenue	38,932,831	414,132	39,346,963	-	-	-	39,346,963	89,306,862		49,959,899	227%	229%			35,013,483
Total Revenue (excl. capital transfers and contributions)		695,427,294	(37,844,903)	657,582,391	-	-	657,582,391	695,004,735	37,422,344	105%	100%			597,482,401	
Employee costs	(229,090,679)	1,245,287	(227,845,392)	-	-	-	(227,845,392)	(231,525,475)		(3,680,083)	102%	101%			(207,938,265)
Remuneration of councillors	(7,070,611)	(30,434)	(7,101,045)	-	-	-	(7,101,045)	(7,084,131)		16,914	100%	100%			(6,717,244)
Debt impairment	(1,000,000)	-	(1,000,000)	-	-	-	(1,000,000)	(934,421)		65,579	93%	93%			(27,541)
Depreciation & asset impairment	(107,515,269)	97,791	(107,417,478)	-	-	-	(107,417,478)	(105,280,446)		2,137,032	98%	98%			(104,041,124)
Finance charges	(38,053,939)	-	(38,053,939)	-	-	-	(38,053,939)	(37,309,747)		744,192	98%	98%			(31,727,084)
Bulk purchases	(144,421,300)	700,000	(143,721,300)	-	-	-	(143,721,300)	(145,021,600)		(1,300,300)	101%	100%			(126,669,077)
Transfers and grants	(28,000,000)	(7,975,000)	(35,975,000)	-	-	-	(35,975,000)	(35,856,345)		118,655	100%	128%			(28,454,141)
Other expenditure	(235,902,721)	38,035,328	(197,867,393)	-	-	-	(197,867,393)	(183,888,363)		13,979,030	93%	78%			(236,955,526)
Total Expenditure		(791,054,519)	32,072,972	(758,981,547)	-	-	(758,981,547)	(746,900,528)	12,081,019	98%	94%			(742,530,004)	
Surplus (Deficit)		(95,627,225)	(5,771,931)	(101,399,156)	-	-	(101,399,156)	(51,895,793)	49,503,363	51%	54%			(145,047,803)	
Transfers recognised - capital	64,041,945	(3,142,789)	60,899,156	-	-	-	60,899,156	53,808,707		(7,090,449)	88%	84%			54,832,793
Contributions recognised - capital and contributed assets	6,600,000	(6,100,000)	500,000	-	-	-	500,000	5,289,119		4,789,119	1058%	80%			8,602,805
Surplus/(Deficit) after capital transfers and contributions		(24,985,280)	(15,014,720)	(40,000,000)	-	-	(40,000,000)	7,202,033	47,202,033	-18%	-29%			(81,612,005)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-		-	0%	0%			-
Surplus (Deficit) for the year		(24,985,280)	(15,014,720)	(40,000,000)	-	-	(40,000,000)	7,202,033	47,202,033	-18%	-29%			(81,612,005)	
Capital expenditure and funds sources															
Total capital expenditure	169,043,235	(1,542,734)	167,500,501	-	-	-	167,500,501	143,764,216		(23,736,285)	86%	85%			
Sources of capital funds															
Transfers recognised - capital	62,459,000	(919,094)	61,539,906	-	-	-	61,539,906	53,808,707		(7,731,199)	87%	86%			
Public contributions and donations	8,183,000	(7,683,000)	500,000	-	-	-	500,000	5,067,000		4,567,000	1013%	62%			
Borrowing	83,901,235	3,903,575	87,804,810	-	-	-	87,804,810	69,833,037		(17,971,773)	80%	83%			
Internally generated funds	14,500,000	3,155,785	17,655,785	-	-	-	17,655,785	15,055,472		(2,600,313)	85%	104%			
Total sources of capital funds		169,043,235	(1,542,734)	167,500,501	-	-	167,500,501	143,764,216	(23,736,285)	86%	85%				
Cash flows															
Net cash from (used) operating	107,245,124	(10,923,865)	96,321,259	-	-	-	96,321,259	79,640,258		(16,681,001)	83%	74%			
Net cash from (used) investing	(160,204,826)	1,542,833	(158,661,993)	-	-	-	(158,661,993)	(146,949,302)		11,712,691	93%	92%			
Net cash from (used) financing	38,459,702	(1,300,000)	37,159,702	-	-	-	37,159,702	24,756,873		(12,402,829)	67%	64%			
Net increase/(decrease) in cash and cash equivalents	(14,500,000)	(10,681,032)	(25,181,032)	-	-	-	(25,181,032)	(42,552,171)		(17,371,139)	169%	293%			
Cash and Cash equivalents at the beginning of the year	102,146,379	24,553,088	126,699,467	-	-	-	126,699,467	126,699,467		-	100%	124%			
Cash/cash equivalents at the year end	87,646,379	13,872,056	101,518,435	-	-	-	101,518,435	84,147,296		(17,371,139)	83%	96%			

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of infrastructure and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for infrastructure and other assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

1.2 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.2 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, are as follows:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for currently undetermined future use.
- Leases properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as Investment Properties. The rental revenue generated is incidental to the purposes for which the property is held.

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction (no cost or for a nominal cost), its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.3 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Useful life in years
Buildings	5 - 30
Furniture and fixtures	3 - 15
Motor vehicles	4 - 10
Office equipment	3 - 15
Infrastructure	
• Roads and paving	3 - 60
• Pedestrian malls	25 - 80
• Electricity	3 - 60
• Water	5 - 100
• Sewerage	10 - 60
• Housing	30
Community	
• Improvements	5 - 30
• Recreational facilities	5 - 30
• Security	5 - 15
Other property, plant and equipment	
• Bins and containers	10 - 15

The residual value, the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.4 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.4 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life in years
Computer software, other	2 - 5

1.5 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.5 Heritage assets (continued)

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

Classification

The municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Class

Operating lease assets
Receivables from exchange transactions
Other receivables from non-exchange transactions
VAT receivable
Consumer debtors
Long term receivables
Cash and cash equivalents
Other financial assets

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Other financial liabilities
Finance lease obligation
Payables from exchange transactions
Consumer deposits

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the effective interest rate applicable to the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.8 Inventories (continued)

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

1.9 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

The gain or loss on the eventual sale of non-current assets held for sale is included in the statement of financial performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset.

1.10 Impairment of cash-generating assets

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

1.11 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to the fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued bi-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Other post retirement obligations

The municipality provides post-retirement health care benefits upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.13 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption from the first reading after the reporting date.

Revenue from the sale of pre-paid electricity units is recognised when the risks and rewards of ownership has passed to the buyer.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Revenue received from pre-paid electricity sales are deferred and recognised as revenue on the consumption basis, commencing on the date of purchase. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage, including how often an electricity card is purchased or additional units of electricity loaded onto a pre-paid card.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has a water connection. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are charged on both vacant and developed property using the tariffs approved from Council and are levied monthly.

Interest and other revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

1.15 Revenue from non-exchange transactions

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are not recognised.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular expenditure

According to section 1 of the MFMA: "irregular expenditure", in relation to a municipality or municipal entity, means -

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act and which has not been condoned in terms of section 170; or
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act and which has not been condoned in terms of that Act; or
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.20 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Presentation of currency

These annual financial statements are presented in South African Rand.

1.22 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.23 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.24 Internal reserves

Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.25 Conditional grants and receipts

Conditions on transferred assets require that the entity either consume the future economic benefits or service potential of the asset as specified or return future economic benefits or service potential to the transferor in the event that the conditions are breached. Therefore, the recipient incurs a present obligation to transfer future economic benefits or service potential to third parties when it initially gains control of an asset subject to a condition.

Restrictions on transferred assets do not include a requirement that the transferred asset, or other future economic benefits or service potential is to be returned to the transferor if the asset is not deployed as specified. Therefore, gaining control of an asset subject to a restriction does not impose on the recipient a present obligation to transfer future economic benefits or service potential to third parties when control of the asset is initially gained.

1.26 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2012/07/01 to 2013/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.27 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.28 Events after reporting date

Events after reporting date that are classified as adjusting events are accounted for in the annual financial statements. The events after reporting date that are classified as non-adjusting events are disclosed in the notes to the annual financial statements.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.29 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18	Segment reporting - issued February 2011
GRAP 20	Related parties - issued June 2011

Application of all the above GRAP standards will be effective from the date to be announced by the Minister of Finance. This date is not currently available.

The ASB Directive 5 paragraph 29 allows for the municipality to apply the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph 12 of GRAP 3 on Accounting policies, Changes in accounting estimates and Errors.

The municipality applied the principles established in a standard of GRAP that has been issued, but is not yet effective, in developing an appropriate accounting policies dealing with the following transactions, but have not early adopted these standards:

GRAP 25	Employee benefits - issued November 2009
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Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

The following standards have been issued and are effective but not yet applicable:

GRAP 25	Employee benefits - effective 1 July 2013
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Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

- GRAP 21 Impairment of non-cash-generating assets - effective 1 July 2012
- GRAP 23 Revenue from non-exchange transactions - effective 1 July 2012
- GRAP 24 Presentation of budget information in financial statements - effective 1 July 2012
- GRAP 26 Impairment of cash-generating assets - effective 1 July 2012
- GRAP 103 Heritage assets - effective 1 July 2012
- GRAP 104 Financial instruments - effective 1 July 2012

New standards of GRAP

During the year, the municipality changed its accounting policies with respect to the treatment of impairment, revenue, budget information, heritage assets and financial instruments. In order to conform with the benchmark treatment in the above mentioned standards of GRAP.

Change in accounting policy in terms of measurement after recognition of land and buildings

During the year, the municipality changed the accounting policy with respect to the treatment of land and buildings in GRAP 17 - Property, plant and equipment. The measurement after recognition has changed from the revaluation model to the cost model. As the current financial year would have been the first year there will be no effect on the financial position, financial performance, cash flows and net assets of the municipality.

The municipality's land and buildings are not traded in an active market. The probability of disposal is negligible as these assets are used for basic service delivery. The cost model is based on objective values whereas the revaluation model is subjective. Therefore the cost model is more appropriate for this asset class.

Refer to note 47

3. Investment property

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	175,866,200	-	175,866,200	104,672,500	-	104,672,500

Reconciliation of investment property - 2013

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Total
Investment property	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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3. Investment property (continued)

Reconciliation of investment property - 2012

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	103,398,228	8,563,025	(7,288,753)	104,672,500

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Revenue earned on Investment Properties for the 2012/13 financial year was R1,198,987 (2011/12 : R1,019,823).

Transfers to Investment Properties were from owner-occupied property and non-current assets held for sale.

Investment Properties are adjusted to their fair value on an annual basis. The valuations are performed by Boland Valuers, independent valuers who are not connected to the municipality.

4. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	341,368,178	-	341,368,178	341,198,078	-	341,198,078
Buildings	134,003,587	(21,324,765)	112,678,822	131,275,386	(16,289,750)	114,985,636
Infrastructure	5,056,065,136	(2,627,044,048)	2,429,021,088	4,942,020,109	(2,559,019,054)	2,383,001,055
Community	118,432,841	(39,866,317)	78,566,524	116,579,373	(35,215,455)	81,363,918
Other	75,122,260	(30,429,449)	44,692,811	71,211,728	(27,298,702)	43,913,026
Total	5,724,992,002	(2,718,664,579)	3,006,327,423	5,602,284,674	(2,637,822,961)	2,964,461,713

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Impairment loss	Total
Land	341,198,078	1,346,702	-	(751,394)	-	-	(425,208)	341,368,178
Buildings	114,985,636	3,319,769	(1,728,000)	1,568,432	-	(5,467,015)	-	112,678,822
Infrastructure	2,383,001,055	65,652,638	(708,815)	(644,551)	62,744,663	(81,023,902)	-	2,429,021,088
Community	81,363,918	2,328,158	-	(747,881)	273,191	(4,650,862)	-	78,566,524
Other	43,913,026	5,880,237	(538,380)	-	-	(4,562,072)	-	44,692,811
	2,964,461,713	78,527,504	(2,975,195)	(575,394)	63,017,854	(95,703,851)	(425,208)	3,006,327,423

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Total
Land	337,559,463	12,056,428	(523,593)	(8,015,279)	121,059	-	341,198,078
Buildings	121,208,918	155,000	(224,703)	(493,098)	-	(5,660,481)	114,985,636
Infrastructure	2,346,686,150	53,998,573	(10,337,815)	-	79,691,187	(87,037,040)	2,383,001,055
Community	80,184,327	4,929,780	-	-	608,417	(4,358,606)	81,363,918
Other	37,162,050	10,785,733	(379,680)	-	-	(3,655,077)	43,913,026
	2,922,800,908	81,925,514	(11,465,791)	(8,508,377)	80,420,663	(100,711,204)	2,964,461,713

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

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5. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Water rights	2,360,000	-	2,360,000	2,360,000	-	2,360,000
Computer software, other	3,005,259	(916,672)	2,088,587	1,731,401	(544,136)	1,187,265
Total	5,365,259	(916,672)	4,448,587	4,091,401	(544,136)	3,547,265

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Water rights	2,360,000	-	-	2,360,000
Computer software, other	1,187,265	1,273,858	(372,536)	2,088,587
	3,547,265	1,273,858	(372,536)	4,448,587

Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Total
Water rights	2,360,000	-	-	2,360,000
Computer software, other	477,625	928,401	(218,761)	1,187,265
	2,837,625	928,401	(218,761)	3,547,265

Intangible assets with indefinite lives:

Water rights	2,360,000	2,360,000
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The municipality entered into a contract with Kraai Bosch Plase (Pty) Ltd on 28 May 1999. The useful life of the water right is considered indefinite. The contract does not define when the municipality will cease to enjoy the right to use the water from the Kraaibosch dam. There is no reason to believe that the right to the Kraaibosch dam has a limited useful life due to the condition of the dam. Regular assessments are performed to determine whether the conditions that existed at the inception of the contract have changed.

6. Heritage assets

	2013			2012		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	107,635,535	(9,230,000)	98,405,535	107,635,535	-	107,635,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309	99,309	-	99,309
Recreational parks	817,200	-	817,200	817,200	-	817,200
Total	108,552,044	(9,230,000)	99,322,044	108,552,044	-	108,552,044

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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6. Heritage assets (continued)

Reconciliation of heritage assets 2013

	Opening balance	Impairment losses recognised	Total
Conservation areas	107,635,535	(9,230,000)	98,405,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	108,552,044	(9,230,000)	99,322,044

Reconciliation of heritage assets 2012

	Opening balance	Transfers	Total
Conservation areas	107,763,000	(127,465)	107,635,535
Stamp collections, military insignia, medals, coin	99,309	-	99,309
Recreational parks	817,200	-	817,200
	108,679,509	(127,465)	108,552,044

7. Other financial assets

Designated at fair value

New Republic Bank	451,148	-
The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 on the capital still outstanding has been received. Therefore a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.		
Liberty - Sinking fund	10,440,037	5,415,671
Momentum - Sinking fund	705,404	275,632
	11,596,589	5,691,303

Non-current assets

Designated at fair value	11,596,589	5,691,303
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Financial assets at fair value

In determining the recoverability of other financial assets, the Overstrand Municipality considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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8. Employee benefit obligations

Defined benefit plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas;
- LA Health;
- Prosano;
- Hosmed;
- Samwumed; and
- Keyhealth

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Mr DR Poane, Fellow of the Actuarial Society of South Africa, including projections for the 2013 and 2014 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service members (employees)	387	387
Continuation members (retirees, widowers and orphans)	70	70
	457	457

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(81,920,000)	(73,505,000)
Non-current liabilities	(79,887,000)	(71,562,000)
Current liabilities	(2,033,000)	(1,943,000)
	(81,920,000)	(73,505,000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	73,505,000	63,437,000
Net expense recognised in the statement of financial performance	8,415,000	10,068,000
	81,920,000	73,505,000

Net expense recognised in the statement of financial performance

Current service cost	4,580,000	4,191,000
Interest cost	5,778,000	5,234,000
Actuarial (gains) / losses	83,043	2,517,906
Benefits paid	(2,026,043)	(1,874,906)
	8,415,000	10,068,000

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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8. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	7.86 %	7.86 %
Medical cost trend rates	6.37 %	6.37 %
Net effective discounted rate	1.40 %	1.40 %

Management assessed the assumptions used and found it to be adequate.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	12,993,000	9,766,000
Effect on defined benefit obligation	94,208,000	72,089,000

Amounts for the current and previous four years are as follows:

	2013 R	2012 R	2011 R	2010 R	2009 R
Defined benefit obligation	81,920,000	73,505,000	63,437,000	56,587,000	53,518,638

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution plans, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

9. Long term receivables

Land sales	1,452	3,352
Officials: Study loans	-	5,300
Housing selling scheme loans	17,710	18,643
Sport clubs	81,841	124,075
	101,003	151,370
Non-current assets		
Long term receivables	83,571	126,072
Current assets		
Long term receivables	17,432	25,298
	101,003	151,370

In determining the recoverability of long term receivables, the Overstrand Municipality considers any change in the credit quality of the long term receivables from the date the credit was initially granted up to the reporting date.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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10. Inventories

Stores and material	7,863,109	6,588,292
Water	248,384	217,058
Work-in-progress - Property developments	10,804,929	9,635,461
	18,916,422	16,440,811

Inventories recognised as an expense during the year:

Stores and material	7,831,644	7,777,481
Work-in-progress - Property developments	-	49,987,689
Water	21,944,511	19,410,548
	29,776,155	77,175,718

11. Receivables from exchange transactions

Trade debtors - Unbilled revenue	14,631,066	13,150,811
Accrued interest	10,685	7,192
Other debtors	10,907,045	8,475,675
	25,548,796	21,633,678

In determining the recoverability of trade and other receivables, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.

12. Receivables from non-exchange transactions

Government grants and subsidies	6,552,223	6,552,223
Control accounts - sundry	4,175,998	1,111,966
Public contributions and subsidies	420,716	420,716
Deposits	457,929	427,419
	11,606,866	8,512,324

13. VAT receivable

VAT	8,346,728	5,429,460
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In determining the recoverability of VAT receivable, the Overstrand Municipality considers any change in the credit quality of the VAT receivable from the date the credit was initially granted up to the reporting date.

14. Consumer debtors

Gross balances

Rates	16,137,962	18,118,393
Electricity	19,007,633	19,695,691
Water	12,482,300	12,578,302
Sewerage	8,091,988	8,972,831
Refuse	6,088,564	5,472,506
Housing rental	317,181	303,119
Other	3,870,202	3,333,967
	65,995,830	68,474,809

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Less: Allowance for impairment		
Rates	(4,263,813)	(6,210,091)
Electricity	(1,270,055)	(1,785,894)
Water	(3,907,440)	(3,531,360)
Sewerage	(2,853,395)	(3,355,778)
Refuse	(1,573,294)	(1,948,787)
Housing rental	(221,261)	(194,960)
Other	(2,826,307)	(1,086,822)
	(16,915,565)	(18,113,692)
Net balance		
Rates	11,874,149	11,908,302
Electricity	17,737,578	17,909,797
Water	8,574,860	9,046,942
Sewerage	5,238,593	5,617,053
Refuse	4,515,270	3,523,719
Housing rental	95,920	108,159
Other	1,043,895	2,247,145
	49,080,265	50,361,117
Included in above is receivables from exchange transactions		
Electricity	17,737,578	17,909,797
Water	8,574,860	9,046,942
Sewerage	5,238,593	5,617,053
Refuse	4,515,270	3,523,719
Housing rental	95,920	108,159
	36,162,221	36,205,670
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	11,874,149	11,908,302
Other	1,043,895	2,247,146
	12,918,044	14,155,448
Net balance	49,080,265	50,361,118
Rates		
Current (0 -30 days)	7,269,167	8,241,203
31 - 60 days	259,014	467,021
61 - 90 days	178,391	346,601
91 - 120 days	142,197	280,916
+ 120 days	4,025,380	2,572,561
	11,874,149	11,908,302
Electricity		
Current (0 -30 days)	11,901,965	12,341,359
31 - 60 days	305,716	393,282
61 - 90 days	176,579	244,699
91 - 120 days	125,352	189,050
+ 120 days	5,227,966	4,741,407
	17,737,578	17,909,797

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Water		
Current (0 -30 days)	4,893,587	6,782,275
31 - 60 days	307,209	522,333
61 - 90 days	248,512	427,855
91 - 120 days	224,380	360,567
+ 120 days	2,901,172	953,912
	8,574,860	9,046,942
Sewerage		
Current (0 -30 days)	3,015,845	4,231,746
31 - 60 days	148,507	285,019
61 - 90 days	108,477	225,721
91 - 120 days	91,421	196,812
+ 120 days	1,874,343	677,755
	5,238,593	5,617,053
Refuse		
Current (0 -30 days)	2,732,330	2,375,280
31 - 60 days	113,360	151,102
61 - 90 days	81,451	116,288
91 - 120 days	66,878	95,119
+ 120 days	1,521,251	785,930
	4,515,270	3,523,719
Housing rental		
Current (0 -30 days)	44,643	67,956
31 - 60 days	6,927	10,891
61 - 90 days	4,608	6,798
91 - 120 days	3,583	4,561
+ 120 days	36,159	17,953
	95,920	108,159
Other		
Current (0 -30 days)	397,165	680,448
31 - 60 days	73,549	107,610
61 - 90 days	41,718	64,063
91 - 120 days	21,706	44,558
+ 120 days	509,757	1,350,466
	1,043,895	2,247,145

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
14. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	31,094,150	30,342,372
31 - 60 days	1,602,982	1,986,508
61 - 90 days	1,158,927	1,442,994
91 - 120 days	939,408	1,185,151
+ 120 days	20,213,700	19,962,219
	55,009,167	54,919,244
Less: Allowance for impairment	(16,269,900)	(17,233,204)
	38,739,267	37,686,040
Industrial/ commercial		
Current (0 -30 days)	8,166,464	9,553,301
31 - 60 days	71,300	318,332
61 - 90 days	26,634	206,858
91 - 120 days	17,683	88,763
+ 120 days	1,396,300	774,983
	9,678,381	10,942,237
Less: Allowance for impairment	(645,666)	(880,487)
	9,032,715	10,061,750
National and provincial government		
Current (0 -30 days)	519,446	637,749
31 - 60 days	125,007	106,558
61 - 90 days	51,712	111,180
91 - 120 days	18,474	155,707
+ 120 days	593,646	1,602,134
	1,308,285	2,613,328
Total		
Current (0 -30 days)	39,780,060	40,533,421
31 - 60 days	1,799,288	2,411,399
61 - 90 days	1,237,273	1,761,032
91 - 120 days	975,564	1,429,621
+ 120 days	22,203,645	22,339,336
	65,995,830	68,474,809
Less: Allowance for impairment	(16,915,565)	(18,113,692)
	49,080,265	50,361,117
Less: Allowance for impairment		
Current (0 -30 days)	(9,525,357)	(10,297,589)
31 - 60 days	(585,008)	(648,344)
61 - 90 days	(397,537)	(468,994)
91 - 120 days	(300,047)	(378,663)
+ 120 days	(6,107,616)	(6,320,102)
	(16,915,565)	(18,113,692)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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14. Consumer debtors (continued)

Reconciliation of allowance for impairment

Balance at beginning of the year	(18,113,692)	(20,231,883)
Contributions to allowance	(594,272)	190,129
Debt impairment written off against allowance	1,792,399	1,928,062
	(16,915,565)	(18,113,692)

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16,230	16,330
Bank balances	29,089,520	51,683,137
Short-term deposits	55,041,546	75,000,000
	84,147,296	126,699,467

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2013	30 June 2012	30 June 2011	30 June 2013	30 June 2012	30 June 2011
ABSA-Cheque-322-000-0035	56,932,992	70,318,621	41,821,282	27,959,806	51,031,117	19,493,713
ABSA-Cheque-405-589-9787	235	6,994	147	2,485	1,686	5,301
ABSA-Cheque-405-642-0921	81,327	63,400	28,244	93,290	74,237	37,772
ABSA-Cheque-405-657-8021	693,477	404,637	418,444	359,548	331,156	325,261
ABSA-Cheque-405-298-3157	674,390	244,941	128,855	674,391	244,941	128,854
ABSA Call accounts	30,041,546	25,000,000	20,000,000	30,041,546	25,000,000	20,000,000
Investec Call account	-	-	30,000,000	-	-	30,000,000
Nedbank Call account	25,000,000	-	-	25,000,000	-	-
STB Call account	-	50,000,000	-	-	50,000,000	-
Cash on hand	-	-	-	16,230	16,330	12,800
Total	113,423,967	146,038,593	92,396,972	84,147,296	126,699,467	70,003,701

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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16. Non-current assets held for sale

Assets meeting the definition and recognition criteria of non-current assets held for sale are reclassified and measured in accordance with GRAP 100 requirements.

ERF NO. 109, Van Dyksbaai

In principle approval was obtained on 23 September 2009. The tender was advertised on 20 September 2012 (active marketing of sale). Section 14 disposal advertisement appeared in the media on 15 February 2013. Final approval for transfer was obtained on 23 March 2013. Deed of Sale was signed on 25 May 2013. A conveyancing attorney was appointed on 30 May 2013. The sale will be completed within one year from the date of recognition.

ERF NO. 217, Zwelihle

Transaction was not completed within one year of date of recognition. The delay was caused by the purchaser: late payment of application fee; compliance with restrictive condition to consolidate properties and delay in signature of Deed of Sale. In principle approval was obtained on 30 May 2012. The advertisement appeared in the media on 31 August 2012. Final approval for transfer was obtained on 28 November 2012. Council still intends to dispose of the property and a Deed of Sale was signed on 13 May 2013. Transfer attorneys were appointed on 20 May 2013. The sale will be completed by 30 June 2014.

ERVEN NO. 6468 to 6490, ERF 11456, ERF 2834 and ERF 3895

These erven have been derecognised as the sales will not be completed within the next 12 months. Erf 2834 was cancelled due to breach of contract by the purchaser.

ERF 3897, ERF 2203 and ERF 7699

The municipality was informed of the possible establishment of a TB clinic on one of these properties, to the benefit of the community. After negotiations took place, it was decided to rather donate these properties. The in principle decision for the donation was obtained on 24 April 2013.

ERF 11154, ERF 611 and ERF 11436

The municipality decided not to sell these properties as after going out on tender no purchasers were obtained.

Non-current assets held for sale comprises of the following:

Erven no. 6468 to 6490 - Hermanus Mount Pleasant	-	1,513,636
Erf no. 109 - Van Dyksbaai	1,025,000	1,025,000
Erf no. 611 - Gansbaai	-	99,821
Erf no. 3895 - Gansbaai	-	3,232
Erf no. 2203, portion of 407 - Hawston	-	193,059
Erf no. 11154 - Hermanus	-	4,300,000
Erf no. 11436 - Hermanus	-	48,847
Erf no. 217 - Zwelihle	5	5
Erf no. 3897 - Gansbaai	-	109,656
Erf no. 7699 - Kleinmond	-	697
Erf no. 2834 - Sandbaai	-	14,436,976
Erf no. 11456, a portion of 243 - Hermanus	-	317,702
	1,025,005	22,048,631

17. Finance lease obligation

Minimum lease payments due

- within one year	560,631	486,663
- in second to fifth year inclusive	266,484	683,749
	827,115	1,170,412
less: future finance charges	(82,561)	(172,643)
Present value of minimum lease payments	744,554	997,769

Present value of minimum lease payments due

- within one year	484,773	374,480
- in second to fifth year inclusive	259,781	623,289
	744,554	997,769

Overstrand Municipality

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Figures in Rand	2013	2012
17. Finance lease obligation (continued)		
Non-current liabilities	259,781	623,289
Current liabilities	484,773	374,480
	744,554	997,769

The municipality has entered into contracts with suppliers for the rental of office equipment and has agreed to accept the option to purchase the equipment at the end of the lease term.

The average lease term was 3 years and the average effective borrowing rate was 13% (2012: 12%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

18. Unspent conditional grants

Unspent conditional grants and receipts comprises of:

Government grants:

Housing consumer education grant	47,385	66,321
Human settlements development grant	5,460,898	3,418,697
Mobility strategy	105,868	330,839
Public transport non-motorised infrastructure grant	1,500,000	-
Unspent public contributions and donations	669,172	739,620
	7,783,323	4,555,477

Movement during the year

Balance at the beginning of the year	4,555,477	4,377,054
Additions during the year	63,292,914	73,224,272
Income recognition during the year	(60,065,068)	(65,379,900)
Transfer to debtors	-	(7,665,949)
	7,783,323	4,555,477

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 25 for reconciliation of grants from National/Provincial Government.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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Figures in Rand	2013	2012
19. Other financial liabilities		
At amortised cost		
Annuity loans	382,150,284	357,004,273
Non-current liabilities		
At amortised cost	364,394,191	340,580,681
Current liabilities		
At amortised cost	17,756,093	16,423,592

The fair values of the financial liabilities were determined as follows:

a) The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

b) At the reporting date there are no significant concentrations of credit risk for other financial liabilities. The carrying amount reflected above represents the municipality's maximum exposure to credit risk for such other financial liabilities.

Refer to note 48 for maturity analysis of financial liabilities.

20. Provisions

Reconciliation of provisions - 2013

	Opening Balance	Additions/ Adjustments	Utilised during the year	Total
Rehabilitation of tip sites	36,869,450	3,254,043	-	40,123,493
Clearing of alien vegetation	1,716,292	(8,354)	(220,461)	1,487,477
Long service bonuses	6,095,136	1,044,125	(690,261)	6,449,000
Gratification payable	464,606	-	(21,106)	443,500
Other provisions	14,293,826	2,949,978	(678,866)	16,564,938
	59,439,310	7,239,792	(1,610,694)	65,068,408

Reconciliation of provisions - 2012

	Opening Balance	Additions/ Adjustments	Utilised during the year	Reversed during the year	Total
Rehabilitation of tip sites	33,412,214	3,457,236	-	-	36,869,450
Clearing of alien vegetation	1,983,914	144,019	(411,641)	-	1,716,292
Long service bonuses	4,571,000	1,524,136	-	-	6,095,136
Gratification payable	481,096	-	(11,602)	(4,888)	464,606
Other provisions	13,187,302	1,106,524	-	-	14,293,826
	53,635,526	6,231,915	(423,243)	(4,888)	59,439,310

Non-current liabilities	39,431,887	39,534,817
Current liabilities	25,636,521	19,904,493
	65,068,408	59,439,310

Overstrand Municipality

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Notes to the Annual Financial Statements

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20. Provisions (continued)

Rehabilitation of tip sites

The cost to rehabilitate all identified sites in the Overstrand are estimated at R40,123,493.

Clearing of alien vegetation

Approximately 23% of a total area of 5,705ha must be cleared during the next 5 to 10 years and the estimated cost amounts to R1,487,477.

Long service bonuses

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2013 may become entitled to in future, based on an actuarial valuation performed at 30 June 2012.

Gratification payable

The cost of the gratification payable was based on employees not belonging to a pension fund up until February 2003 and is only payable on retirement.

Other provision

Other provisions consist of leave pay and bonus provisions. Annual leave and bonuses accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of leave and bonuses.

21. Payables from exchange transactions

Trade payables	27,282,023	25,803,292
Payments received in advanced	6,442,338	5,153,448
Retention monies	9,224,664	7,372,536
Accrued interest	9,012,949	5,189,671
Deposits received	383,203	349,617
Deferred income	379,706	728,742
Control accounts - salaries	52,915	53,946
Builders' deposits	7,811,036	7,442,626
Control accounts - sundry	5,045,854	6,115,571
Other payables	1,202,963	4,962,673
	66,837,651	63,172,122

22. Consumer deposits

Electricity	23,941,493	21,799,608
Water	10,990,528	9,406,814
	34,932,021	31,206,422

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
23. Property rates		
Rates received		
Residential and business	148,598,778	138,437,499
Less: Income forgone	(32,277,726)	(29,524,569)
	116,321,052	108,912,930
Property rates - penalties imposed	914,328	924,860
	117,235,380	109,837,790

Income forgone can be defined as any income that the Overstrand Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

24. Service charges

Sale of electricity	247,521,351	224,949,513
Sale of water	85,497,617	83,755,045
Sewerage and sanitation charges	57,223,249	57,211,707
Refuse removal	46,787,959	39,498,443
	437,030,176	405,414,708

25. Government grants and subsidies

Operating grants

Equitable share	36,146,000	31,156,000
National Financial management grant	697,782	1,250,000
National Municipal systems improvement grant	780,270	790,000
Provincial Community development workers grant	69,909	78,000
Provincial Housing consumer education grant	18,936	63,070
Provincial Library grant	691,159	640,000
Provincial Main road subsidy	65,000	65,000
Provincial Thusong service centres grant	218,000	-
Provincial Human settlement developments grant	1,659,228	3,186,121
Provincial Mobility strategy	1,956	-
National Expanded public works programme	1,332,000	777,000
	41,680,240	38,005,191

Capital grants

National Financial management grant	552,218	-
National Municipal systems improvement grant	19,730	-
Provincial Community development workers grant	11,091	-
Provincial Library grant	12,841	-
Provincial Human settlement developments grant	16,650,723	-
National Regional bulk infrastructure grant	15,174,089	36,211,611
National Integrated national electricity grant	1,800,000	2,000,000
National Neighbourhood development partners grant	2,418,000	2,000,000
Provincial Mobility strategy	223,015	650,182
Provincial Municipality infrastructure grant	16,947,000	13,971,000
	53,808,707	54,832,793
	95,488,947	92,837,984

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
25. Government grants and subsidies (continued)		
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
All registered indigents receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and 6kl free basic water and 50kw/h units of electricity, which is funded from the grant.		
National Financial management grant		
Current-year receipts	1,250,000	1,250,000
Conditions met - transferred to revenue	(1,250,000)	(1,250,000)
	-	-
National Municipal systems improvement grant		
Current-year receipts	800,000	790,000
Conditions met - transferred to revenue	(800,000)	(790,000)
	-	-
Provincial Library grant		
Current-year receipts	704,000	640,000
Conditions met - transferred to revenue	(704,000)	(640,000)
	-	-
Provincial Community development workers grant		
Current-year receipts	81,000	78,000
Conditions met - transferred to revenue	(81,000)	(78,000)
	-	-
Provincial Main road subsidy		
Current-year receipts	65,000	65,000
Conditions met - transferred to revenue	(65,000)	(65,000)
	-	-
Provincial Housing consumer education grant		
Balance unspent at beginning of year	66,321	129,391
Conditions met - transferred to revenue	(18,936)	(63,070)
	47,385	66,321

Conditions still to be met - remain liabilities (see note 18).

Overstrand Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2013	2012
25. Government grants and subsidies (continued)		
National Expanded public works programme		
Current-year receipts	1,332,000	777,000
Conditions met - transferred to revenue	(1,332,000)	(777,000)
	-	-
Provincial Human settlements development grant		
Balance unspent at beginning of year	3,418,697	-
Current-year receipts	20,352,152	9,914,339
Conditions met - transferred to revenue	(18,309,951)	(3,186,121)
Transfer to debtors	-	(3,309,521)
	5,460,898	3,418,697
Conditions still to be met - remain liabilities (see note 18).		
Provincial Municipal infrastructure grant		
Current-year receipts	16,947,000	13,971,000
Conditions met - transferred to revenue	(16,947,000)	(13,971,000)
	-	-
National Integrated national electricity grant		
Current-year receipts	1,800,000	2,000,000
Conditions met - transferred to revenue	(1,800,000)	(2,000,000)
	-	-
National Neighbourhood development partners grant		
Current-year receipts	2,418,000	2,000,000
Conditions met - transferred to revenue	(2,418,000)	(2,000,000)
	-	-
Provincial Mobility strategy		
Balance unspent at beginning of year	330,839	981,021
Conditions met - transferred to revenue	(224,971)	(650,182)
	105,868	330,839
Conditions still to be met - remain liabilities (see note 18).		
Provincial Thusong service centres grant		
Current-year receipts	218,000	-
Conditions met - transferred to revenue	(218,000)	-
	-	-

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
25. Government grants and subsidies (continued)		
Provincial Public transport infrastructure grant		
Current-year receipts	1,500,000	-
Conditions still to be met - remain liabilities (see note 18).		
National Regional bulk infrastructure grant		
Current-year receipts	15,174,089	36,211,611
Conditions met - transferred to revenue	(15,174,089)	(36,211,611)
	-	-
26. Public contributions and donations		
Eskom SWH rebate	-	1,610,890
VUNA awards	-	394,109
Department of water affairs ACIP project	-	1,301,795
Spaces for sport	200,447	155,508
National lotto funds	500,000	-
ODM Whale coast signage	-	39,863
SAMRAS usergroup	21,672	-
CSIR housing and grail	-	394,853
Public contributions Non-cash	4,387,000	4,470,917
Government contributions Non-cash	180,000	-
WWF Table mountain fund	-	234,870
	5,289,119	8,602,805
Reconciliation of conditional contributions		
Balance unspent at beginning of year	739,620	125,127
Current-year receipts	651,672	770,000
Conditions met - transferred to revenue	(722,120)	(155,507)
	669,172	739,620
Conditions still to be met - remain liabilities (see note 18)		

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
27. Other income		
Administration charges	156,546	184,425
Admission fees	707,355	661,180
Application fees	19,996	13,061
Baboon proof bins	70,650	102,790
Building clause levy	34,537	33,231
Building plan fees	2,879,523	3,252,194
Cemetery fees	169,446	190,674
Central improvement district	3,918,214	3,663,150
Collection charges	2,541,512	2,070,543
Commission received	109,081	91,493
Construction of benches	13,138	36,561
Developers contributions	2,614,576	1,718,763
Duplicating charges	30,298	35,785
Legal fees	220,235	65,094
Library fees	36,491	40,628
Parking fees	1,283,802	374,410
Plot clearing charges	307,429	227,645
Post office fees	33,340	46,383
Pound fees	179,462	179,220
Private telephone calls recovered	276,230	307,893
Reconnection fees	894,129	779,520
Roadworthy certificates	463,153	452,770
SETA claims	1,058,174	1,046,460
Searching fees	29,561	28,371
Sundry income	2,522,415	599,184
Swimming pool fees	62,111	82,132
Town planning fees	793,312	755,642
Valuation and clearance certificates	387,677	335,309
	21,812,393	17,374,511

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
28. General expenses		
Advertising	1,510,821	1,365,974
Assets expensed	299,105	459,469
Auditors remuneration	2,869,365	2,501,277
Baboon proof bins	52,280	51,929
Bank charges	1,098,507	973,886
Chemicals	8,487,761	6,410,924
Commission paid	4,014,225	3,416,026
Conditional receipts expenses	4,132,611	54,612,203
Consultant fees	9,366,875	10,765,943
Consumables	-	977,818
Contribution to provisions	3,245,690	3,601,254
Delegate expenses	174,484	129,910
Diesel for boilers	289,184	259,625
Electricity	3,247,947	2,574,777
Fuel and oil	9,903,227	9,041,885
Hermanus public protection	3,920,805	3,602,728
Hire	430,787	315,202
Insurance	2,144,527	1,651,319
LED project implementation	428,811	760,232
Lease rentals	962,240	1,203,033
Legal fees	1,649,497	2,765,576
Management of informal settlements	1,512,589	1,475,015
Occupational health and safety	222,337	66,344
Plot clearing costs	426,935	284,798
Postage and courier	1,285,607	1,400,145
Printing and stationery	1,874,725	1,867,771
Property valuation charges	1,030,036	2,418,035
Public functions	276,584	303,465
Radio license fees	-	17,440
Reference library	138,942	189,547
Refuse/recycle bags	285,307	242,666
Removal costs	32,001	71,111
Security services	3,759,272	3,434,791
Skills development levies	1,921,236	1,719,374
Solid waste chipping	2,151,497	2,369,445
Solid waste dumping fees	-	1,374,809
Solid waste haulage	6,318,195	4,345,238
Special projects	1,270,328	1,058,561
Staff welfare	89,708	161,506
Subscriptions and membership fees	1,829,315	1,414,806
Subsistence and transport	947,366	894,795
Sundry expenses	239,247	156,812
Telephone and fax	2,933,650	3,912,101
Title deed search fees	97,845	85,388
Tourism development	2,731,785	2,823,933
Tow in fees	16,311	17,245
Training	2,362,777	2,747,988
Uniforms and protective clothing	1,551,934	1,532,736
Veterinary services	404,006	193,084
Ward committee meetings	214,700	226,400
Water catchment, research and testing	5,294,832	5,647,953
Workmen's compensation assurance	2,631,945	1,107,108
	102,079,761	151,001,400

Membership fees paid over to SALGA during the year amounted to R1,768,725 (2012: R1,369,306).

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
29. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
• Contractual amounts	962,240	1,203,033
(Loss)/Gain on sale of property, plant and equipment	(1,755,579)	1,920,086
Impairment on property, plant and equipment	9,655,208	3,111,159
Impairment on other financial assets	(451,148)	-
Depreciation on property, plant and equipment	96,076,386	100,929,965
Employee costs	238,609,606	214,655,509
30. Employee related costs		
Basic	141,082,537	122,514,408
Bonus	10,823,296	9,483,178
Medical aid - company contributions	8,176,057	7,520,845
UIF	1,283,965	1,166,035
Other payroll levies	73,024	51,357
Leave pay provision charge	2,138,141	1,327,499
Post-employment benefits - Pension - Defined contribution plan	33,501,685	34,120,741
Overtime payments	12,423,091	12,029,721
Long-service awards	690,261	758,794
Acting allowances	1,146,202	1,098,986
Car allowance	9,178,222	8,298,951
Housing benefits and allowances	1,046,492	1,025,209
Scarcity allowance	1,528,196	1,458,555
Standby allowance	5,367,241	4,813,106
Group life - company contributions	956,960	863,882
Sundry allowances	2,063,562	1,387,603
Full time union representative	46,543	19,395
	231,525,475	207,938,265
Remuneration of municipal manager		
Annual Remuneration	1,173,620	1,068,483
Contributions to UIF, Medical and Pension Funds	280,368	286,701
Entertainment	14,400	10,910
	1,468,388	1,366,094
Cellphone allowance	19,872	18,396
Leave	-	87,432
	19,872	105,828

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
30. Employee related costs (continued)		
Remuneration of chief financial officer		
Annual Remuneration	1,047,628	957,878
Car Allowance	4,000	-
Contributions to UIF, Medical and Pension Funds	291,983	272,043
Entertainment	7,200	7,197
	1,350,811	1,237,118
Cellphone allowance	19,872	18,840
Acting allowance	2,990	-
Leave	82,440	-
	105,302	18,840
Remuneration of director: Management services		
Annual Remuneration	753,544	554,090
Car Allowance	72,000	24,000
Contributions to UIF, Medical and Pension Funds	174,436	139,371
Entertainment	5,917	4,000
Housing subsidy	6,000	2,088
	1,011,897	723,549
Cellphone allowance	19,872	15,700
Acting allowance	-	20,471
Leave	-	27,522
	19,872	63,693
Remuneration of director: Protection services		
Annual Remuneration	744,316	608,961
Car Allowance	93,000	120,000
Contributions to UIF, Medical and Pension Funds	34,616	32,854
Entertainment	6,888	6,000
	878,820	767,815
Cellphone allowance	19,872	18,840
Remuneration of director: Infrastructure and planning		
Annual Remuneration	1,039,368	937,397
Car Allowance	48,000	60,000
Contributions to UIF, Medical and Pension Funds	249,340	224,208
Entertainment	8,825	8,934
Computer allowance	5,256	6,516
	1,350,789	1,237,055
Cellphone allowance	19,872	18,840

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
30. Employee related costs (continued)		
Remuneration of director: Local economic development		
Annual Remuneration	743,975	629,876
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	34,181	27,885
Entertainment	19,995	19,985
	918,151	797,746
Cellphone allowance	19,872	18,840
Remuneration of director: Community services		
Annual Remuneration	994,401	827,187
Car Allowance	78,000	78,000
Contributions to UIF, Medical and Pension Funds	36,680	33,275
Entertainment	8,082	8,082
Computer allowance	3,912	3,912
	1,121,075	950,456
Cellphone allowance	19,872	18,840
31. Remuneration of councillors		
Executive Major	645,549	611,895
Deputy Executive Mayor	516,439	489,515
Mayoral Committee Members [2013: 4; 2012: 4]	1,936,648	1,835,684
Speaker	516,439	489,515
Councillors [2013: 18; 2012: 18]	3,469,056	3,290,635
	7,084,131	6,717,244
32. Debt impairment		
Contributions to debt impairment provision	929,121	27,541
Debts impaired	5,300	-
	934,421	27,541
33. Investment revenue		
Interest revenue		
Other financial assets	5,991,154	4,271,487
Bank	1,535,352	1,823,701
Interest charged on consumer debtors	2,199,158	2,330,692
Interest received - other	26,413	785,339
	9,752,077	9,211,219
34. Fair value adjustments		
Investment property (Fair value model)	49,154,610	(7,288,753)
Other financial assets		
• Other financial assets (Designated as at FV through	494,139	-
	49,648,749	(7,288,753)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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35. Depreciation and amortisation

Property, plant and equipment	95,703,850	100,711,204
Intangible assets	372,536	218,761
	96,076,386	100,929,965

36. Impairment of assets

Impairments

Property, plant and equipment	9,655,208	3,111,159
Other financial assets	(451,148)	-
	9,204,060	3,111,159

The main classes of assets affected by impairment losses are:

Heritage assets

PPE - Land

The main classes of assets affected by reversals of impairment losses are:

Other financial assets

The main events and circumstances that led to the recognition of these impairment losses are as follows:

The carrying value was compared to the value reflected in the valuation roll. Any heritage assets identified where the carrying value was more than the general valuation value was impaired.

Property was accquired in an exchange transaction and impairment was recognised as a road was build on the property which affected its fair value.

The main events and circumstances that led to the reversals of these impairment losses are as follows:

The municipality has an investment with New Republic Bank which was impaired from R2,631,821 to Rnil in 2010/2011 financial year. Management reversed a portion of the impairment to the amount of R451, 148 during the 2012/2013 financial year as a further 9th dividend was paid out to the municipality in the new financial year to the amount of R451,148.

37. Finance costs

Finance leases	135,923	58,008
Current borrowings	37,173,824	31,669,076
	37,309,747	31,727,084

38. Auditors' remuneration

Fees	2,869,365	2,501,277
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39. Contracted services

Ward projects	5,678,549	5,246,729
Vehicle maintenance	4,918,313	4,732,079
Maintenance contractors	45,389,513	41,022
Contracted services	11,619,866	14,058,962
	67,606,241	24,078,792

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
40. Grants and subsidies paid		
Other subsidies		
Low income house-hold subsidies	35,458,345	28,084,461
Grants to organisations	398,000	369,680
	35,856,345	28,454,141
41. Bulk purchases		
Electricity	145,021,600	126,669,077
42. Cash generated from operations		
Surplus / (Deficit)	7,202,033	(81,612,001)
Adjustments for:		
Depreciation and amortisation	96,076,386	100,929,965
Loss / (Gain) on sale of assets	1,755,579	(1,920,086)
Fair value adjustments	(49,648,749)	7,288,753
Finance costs - Finance leases	135,923	58,008
Impairment deficit	9,204,060	3,111,159
Debt impairment	934,421	27,541
Movements in operating lease assets	68,943	29,036
Movements in retirement benefit obligation	8,415,000	10,068,000
Movements in provisions	5,629,098	5,803,784
Movement in housing development fund	(28,335)	7,306
Movement in self insurance fund	1,333,035	-
Changes in working capital:		
Inventories	(2,475,611)	44,741,193
Receivables from exchange transactions	(3,915,118)	(347,116)
Other receivables from non-exchange transactions	(3,094,542)	12,444,514
Consumer debtors	346,431	(5,966,561)
Payables from exchange transactions	3,665,527	(9,753,236)
VAT	(2,917,268)	14,326,321
Unspent conditional grants	3,227,846	(255,548)
Consumer deposits	3,725,599	12,843,533
	79,640,258	111,824,565
43. Materials		
Materials	12,446,782	54,586,579
National treasury requested via circular 54 that municipalities change the repairs and maintenance to materials as well as the unpacking thereof between materials and contracted services, to reflect a more accurate view of components of repairs and maintenance. Repairs and maintenance was, as far as practically possible, unpacked for the 2011/12 year, as a result there is a variance from 2012 to 2013 for materials and contracted services.		
44. Commitments		
Authorised capital expenditure		
Contracts entered into		
• Property, plant and equipment	13,565,429	20,302,159
Contracts not initiated, but budget approved by council		
• Property, plant and equipment	123,509,115	169,043,235

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
44. Commitments (continued)		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	65,450	78,540
- in second to fifth year inclusive	-	65,450
	65,450	143,990

Operating lease payments represent rentals payable by the municipality for its office equipment. Leases are negotiated for an average term of 3 years and rentals are fixed for the lease term. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due		
- within one year	353,771	408,396
- in second to fifth year inclusive	772,852	1,014,736
- later than five years	3,090,621	3,202,508
	4,217,244	4,625,640

Dedicated municipal property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years. There are no contingent rentals receivable.

45. Contingencies

Contingent liabilities

G Lamont et al v Overstrand Municipality

The applicant's application for an order in the Western Cape High Court, requesting the Municipality to remove dune sand in a road reserve, was dismissed with costs. The applicant subsequently appealed the decision on 16 April 2013. The appeal shall be settled within the new financial year. The municipality's exposure is approximately R120 000.

Golden Bay Properties 234 cc v Overstrand Municipality

The Municipality has been sued in the amount of R100 000 by Golden Bay Properties for the alleged replacement of a transformer by the latter on behalf of the Municipality. The summons was served on 26 February 2013. The Municipality is currently opposing the claim in the local magistrate's court.

Cape Joint Pension Fund v Overstrand Municipality

Summons has been served on the Municipality by Cape Joint Pension Fund on 23 November 2012 in lieu of outstanding employer contributions in the amount of R41 194. The matter is enrolled at the local magistrate's court. The parties are currently engaged in settlement negotiations in order to settle the dispute.

Cape Joint Pension Fund v Overstrand Municipality

On 30 June 2009 Cape Joint Pension Fund realised a rate of interest of less than 5.5% on the total monies of the Fund. Rule 17(5) of the Fund state that local authorities associated with the Fund shall cover the shortfall in proportion to the contributions paid by each local authority. At 30 June 2011 the claim made by the Cape Joint Pension Fund amounts to R1,385,757 plus interest at the prescribed rate from 15 February 2010.

The board of trustees has endorsed a proposed transfer of the fund's defined benefit members to its defined contribution section. The claim will be withdrawn by the fund if this proposal is accepted by the participating employers and employees.

Marius Kleynhans et. al vs Overstrand Municipality

The matter is still pending in the Western Cape High Court and is expected to resume in November 2013. The contingent liability of approximately R2,5 million remains the same.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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45. (continued)

South African Revenue Service

On 5 July 2013 the municipality received a notice of audit findings regarding the treatment of tax on SAMWU providend fund amounting to R517 894 excluding penalties and interest. The municipality submitted documentation disputing the claim but have not received an outcome from SARS to date.

Contingent assets

Overstrand Municipality vs Corptrain (Pty) Ltd

The applicant filed a Notice of Motion in the Gauteng High Court requesting that: Corptrain (Pty) Ltd return monies erroneously transferred to them. A warrant of execution against the property of Corptrain (Pty) Ltd has been obtained. The exposure is approximately R176,250 plus interest at 13.5% from 4 August 2010.

New Republic Bank

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After the 2013 financial year-end, a dividend of R0.5268 on the capital still outstanding has been received. Therefore the a portion of the impairment was reversed. This brings the total payout to 99.15% of the original investment.

Due to the fact that the majority of the debt still to be collected, by the receivers, involve some form of legal action, it is not possible to determine a date as to when the liquidation process will be completed.

Management impaired this investment from R2,631,821 to Rnil in 2010/2011 financial year. Management reversed a portion of the impairment to the amount of R451, 148 during the 2012/2013 financial year.

46. Related parties

Relationships

Members of key management

Refer to notes 30 and 31

There were no other related party transactions during the financial year, except as listed above.

47. Comparative figures

The information presented below are only the statement of financial position and statement of financial performance items that have been affected by adjustments to comparative figures. The comparative figures have been adjusted for the following reasons:

Accounting errors:

Accounting errors relating to prior periods have been identified during the 2012/2013 financial period. These errors include mathematical errors ¹, misapplication of accounting policies ², oversight or misinterpretation of facts ³, and effects of fraud ⁴

Changes in classification:

Changes in classification were due to bringing items in line with National Treasury's budget guidelines.

Changes in accounting policies:

Changes in accounting policies were due to GRAP 23 and 103 regarding Revenue from non-exchange transactions and Heritage assets, respectively, that became effective on 1 July 2012 and needed to be implemented retrospectively.

Refer to note 2

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand 2013 2012

47. Comparative figures (continued)

The correction of errors and change in accounting policy detailed below has the following impact on the global opening balances as at 1 July 2011:

Assets: Inventories	9,344,800	Liabilities: Payables	(7,947,660)
Operating lease	177,060	Unspent grants	(5,143,925)
Other receivables	17,149,530	Provisions	13,187,302
PPE	(101,579,634)	Reserves: Revaluation	(315,176,077)
IP	15,409,000	Accumulated surplus	364,260,625
Heritage assets	108,679,509		

Statement of Financial Position	Amount previously reported	Accounting errors	Changes in classification	Changes in accounting policy	Restated amount
Assets					
Current Assets					
Inventories ³	7,076,011	9,364,800	-	-	16,440,811
Operating lease asset ³	738,266	187,637	-	-	925,903
Receivables from exchange transactions ³	13,158,003	8,475,675	-	-	21,633,678
Receivables from non-exchange transactions ³	8,471,930	37,505	2,891	-	8,512,326
VAT receivable ³	3,566,924	1,862,536	-	-	5,429,460
Consumer debtors ³	50,320,199	40,918	-	-	50,361,117
Non-Current Assets					
Investment properties ³	87,822,500	16,850,000	-	-	104,672,500
Property, plant and equipment ³	3,065,756,551	(24,426,994)	-	(76,867,844)	2,964,461,713
Heritage assets ³	-	31,684,200	-	76,867,844	108,552,044
Non-current assets held for sale ³	22,823,298	(774,667)	-	-	22,048,631
Liabilities					
Current Liabilities					
Finance lease obligation	(997,769)	-	623,289	-	(374,480)
Payables from exchange transactions ³	(71,919,620)	(5,543,440)	14,290,935	-	(63,172,125)
Unspent conditional grants and receipts ³	(7,975,247)	681,808	-	2,737,961	(4,555,478)
Provisions	(5,610,667)	-	(14,293,826)	-	(19,904,493)
Non-Current Liabilities					
Finance lease obligation	-	-	(623,289)	-	(623,289)
Net Assets					
Revaluation reserve ³	(315,176,077)	315,176,077	-	-	-
Accumulated surplus ³	(2,490,973,366)	(353,616,056)	-	(2,737,961)	(2,847,327,383)
Statement of Financial Performance					
Revenue					
Property rates ³	136,510,901	214,913	(27,812,884)	-	108,912,930
Service charges ³	405,669,978	(255,269)	-	-	405,414,709
Penalties - property rates ³	995,095	(70,235)	-	-	924,860
Rental of facilities and equipment ³	6,731,614	10,910	-	-	6,742,524
Public contributions ³	14,300,171	(6,558,380)	-	861,014	8,602,805
Government grants ³	95,422,704	(3,280,865)	-	696,145	92,837,984
Agency services	1,907,238	-	4,561	-	1,911,799
Other income ³	17,228,746	150,776	(4,561)	(450)	17,374,511
Interest received ³	9,210,119	1,100	-	-	9,211,219
Expenditure					
Depreciation ³	(100,668,631)	(261,334)	-	-	(100,929,965)
Debt impairment ³	190,129	(217,670)	-	-	(27,541)
Materials ³	(64,844,769)	(6,495)	10,264,685	-	(54,586,579)
Contracted services ³	(24,777,215)	257,811	440,613	-	(24,078,791)
General expenses ³	(167,555,412)	(553,577)	17,107,586	-	(151,001,403)
Gain / (loss on sale of assets) ³	2,256,088	(336,002)	-	-	1,920,086
Fair value adjustment ³	(8,729,753)	1,441,000	-	-	(7,288,753)

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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48. Risk management

Financial risk management

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Finance directorate monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk and liquidity risk. Compliance with policies and procedures are reviewed by the internal auditors on a continuous basis and annually by the external auditors. The municipality does not enter into or trade with financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Counter parties with external credit rating (Fitch's):

Other financial assets

F1	55,041,546	75,000,000
F3	11,596,589	5,691,303

Counter parties without external credit rating:

Trade and other receivables from exchange and non-exchange transactions

Group 2	15,520,396	14,006,138
Group 3	10,728,221	7,664,189

Consumer debtors

Group 1	16,771,546	12,271,567
Group 2	839,736	1,432,025
Group 3	1,214,280	1,937,258
Group 4	30,254,703	34,720,267

Long term receivables

Group 3	101,003	151,370
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F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

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48. Risk management (continued)

Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in the financial and economic conditions.

Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

Market risk

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. The municipality's policy is to maintain approximately 60% of its borrowings in fixed rate instruments. During 2013 and 2012, the municipality's borrowings at variable rate were denominated in Rand.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Interest rate risk for trade and other payables is managed by ensuring that all payments are made within 30 days of receipt of statement, as prescribed by the MFMA

Interest rate sensitivity analysis:

Financial assets:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R175,933 (2012: R179,284) with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R67,565 (2012: R75,882) with the opposite effect if the interest rate had been 100 basis points lower.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to five years	Due after five years	Total
Trade and other receivables - normal credit terms	12.50 %	36,223,463	12,856,802	-	-	49,080,265
Cash in current banking institutions	4.60 %	84,131,066	-	-	16,230	84,147,296
Fixed interest rate instruments	10.37 %	61,238,353	54,676,450	161,262,954	422,789,475	699,967,232
Variable interest rate instruments	7.80 %	2,148,962	1,382,872	3,607,236	2,088,783	9,227,852

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
49. Fruitless and wasteful expenditure		
Opening balance	203,050	176,250
Fruitless and wasteful expenditure	10,000	104,482
Recovered / written-off by council	(26,800)	(77,682)
	186,250	203,050

Incident

Study bursary debt

MFMA course

Non-compliance with NEMA

Disciplinary steps/criminal proceedings

Certified as irrecoverable and written off

Resolved to recover retracted

Submitted to fruitless and wasteful committee

50. Irregular expenditure

Opening balance	19,566,638	8,364,621
Procuring goods and services without obtaining official deviations	1,000	43,562
Procuring goods and services without obtaining three quotations	11,302	42,951
Procuring goods and services without obtaining a valid tax clearance certificate	-	46,452
Procuring goods and services without following any official procurement process	40,960	191,880
The procurement of goods from a person in the service of the state	15,600	-
Tenders not advertised for 30 days as prescribed	10,543,749	11,139,851
Approved/condoned/recovered in terms of the SCM policy	-	(262,679)
	30,179,249	19,566,638

Expenditure was incurred in contravention with the municipality's supply chain management policy.
Irregular expenditure was approved in accordance with the supply chain management policy.

51. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

52. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

53. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the annual financial statements.

Refer to pages 64 to 72 for the supply chain management deviations.

54. Multi-employer retirement benefit information

Overstrand Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

One councillor belongs to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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54. Multi-employer retirement benefit information (continued)

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R33.5 million (2012: R34.1 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

DEFINED BENEFIT SCHEMES

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011. The scheme both operates a Defined benefit and Defined contribution scheme.

Defined Benefit Scheme:

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% (period 30 June 2009 to 31 January 2012) and 23.06% (period 1 February 2012 to 30 June 2012) by their councils. The actuarial valuation report at 30 June 2012 disclosed an actuarial valuation amounting to R3,014,878 million (2011 : R2,971,150 million), with a net accumulated deficit of R18,287 million (2011 : R58 935 million), with a funding level of 99.4% (2011 : 98.1%).

Defined Contribution Scheme:

The actuarial valuation report at 30 June 2012 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R421.9 million (2011 : R386,570 million), net investment reserve of R21,231 million (2011 : R15,285 million) and a funding level of 105.3% (2011 : 104.1%).

South African Local Authorities Pension Fund (SALA):

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R8,753.4 million (2011 : R8,015 million), with funding levels of 100% (2011 : 98,1%). The contribution rate paid by members was 9% and by Council 18% and is sufficient to fund the benefits accruing from the fund in the future.

The trustees have subsequently agreed with the Financial Services Board on a revised scheme of arrangement. As part of the new scheme of arrangement, the fund's benefits have been restructured to ease the pressure on the required future service contribution rate.

It is the actuary's opinion that the fund can be regarded as financially sound at the valuation date.

DEFINED CONTRIBUTION SCHEMES

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R11,348,285 million (2011 : R9,930,837 million), with funding levels of 99.9% and 108% (2011 : 100,3% and 116,9%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation every three years. The last statutory valuation was performed as at 30 June 2009. The latest interim valuation was performed as at 30 June 2010.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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54. Multi-employer retirement benefit information (continued)

The interim valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R1 483, 786 381 (30 June 2009: R1 123. 672 020) million. The contribution rate paid by the members (13,75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

Although the last actuarial valuation was performed on 30 June 2012, the actuarial valuation had not been made public at the date of completion of these financial statements.

South African Municipal Workers Union National Provident Fund:

The last statutory valuation was performed as at 30 June 2008.

The statutory valuation performed as at 30 June 2008 revealed that the fund had a funding ratio of 100,0% (30 June 2005: 100,0%). The contribution rate paid by the members not less than 7.50% (2005 : 5,00%) and Council not less than 18.00% (2005 : 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

The next statutory valuation is due not later than 30 June 2011. Valuation not yet received.

55. Distribution losses

	Electricity	Water
2013		
Rand value	5,656,872	3,829,726
	6.91%	20.01%
2012		
Rand value	6,512,826	2,891,622
% loss	7.12%	20.36%

Water losses to the amount of R3,829,726 (20.01%) were incurred as a result of unmetered connections, aging pipeline infrastructure, burst pipes, old reticulation networks and other leakages. Alien vegetation infestation in watercourses and catchment areas are also a contributing factor.

Cost per kilolitre was calculated using the following basis:

The water treatment and raw water departments are used in calculating the cost per kilolitre. The following costs for each department is used:

General expenses (excluding departmental charges), direct labour attributable to the purification of water, depreciation based on the cost of attributable infrastructure assets and all repair and maintenance.

The total of above expenditure is then divided by the total kilolitres of water purified during the year and this equals the cost per kilolitre.

Electricity losses to the amount of R5,656,872 (6.91%) were incurred as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, weather conditions and load on the system as well as non-technical losses such as theft and vandalism.

56. Awards to close family members of persons in the service of the state

Refer to page 73 to 74.

Overstrand Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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57. Awards to persons in service of the state

The following awards were given to persons in service of the state:

Description	SCME #	Date of payment	Awarded to	Value of the irregular expenditure incurred
The procurement of a conference venue for the SDF forum held in August 2012, award to a person in the service of the state	2013/07	30/08/2012	Zelpy 1776 (Pty) Ltd t/a Misty Waves: Councillor M. Lerm	15,600

58. Budget differences

Material differences between budget and actual amounts

Explanations for variances over 10% between budget and actual figures.

Statement of Comparison of Budget and Actual Amounts

Financial Performance:

Revenue:

Rentals - (12%) - Caravan parks revenue down by 24% (R1,3m)

Public contributions - 958% - Non cash contributions for (land/turnkey projects) accounted for at year end

Expenses:

Impairments - 392% - Impairment loss recognised for conservation areas (Heritage assets)

Loss on sale of assets - (100%) - Not budgeted

Fair value - 100% - Not budgeted

Surplus - Fair Value Adjustments of R49m

Financial Position:

Inventories - 167% - Low cost housing development at Eluxolweni and additional housing rental stock identified R10,52m

Receivables from exchange - 129% - Kleinmond harbour development and acquisition of land for housing at Stanford R10,9m

Long term receivables - (25%) - Redemption and repayment of loans

Cash and cash equivalents - (17%) - Cash not generated from land sales as expected

Investment Property - 101% - Fair value adjustment of Sandbaai commonage on transfer to IP

Intangibles - 30% - Budgeted additions included in PPE

Heritage - 100% - Reclassification from PPE

Non-current assets held for sale - 100% - The determination of the date of sale was only known after final budget approval

Payables - 13% - Increases in payments in advance and retention monies

Unspent grants - 100% - Capital projects not completed

Provisions - 38% - Bonus and leave pay provisions were reclassified from payables to provisions after final budget approval

Revaluation reserve - (100%) - Correction of error

Accumulated surplus - (17%) - Correction of error for revaluation reserve

Overstrand Municipality

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Cash Flow:

Receipts:

Other receipts - (34%) - Kleinmond harbour development and acquisition of land for housing at Stanford R10,9m

Self insurance and housing development funds - 100% - Contribution and movement for 2012/2013

Investing:

Purchase of property, plant and equipment - (23%) - Budget underspent, projects rolled over to 2013/2014

Appendix E(1)

Revenue:

Rentals - (12%) - Caravan parks revenue down by 24% (R1,3m)

Public contributions - 958% - Non cash contributions for (land/turnkey projects) accounted for at year end

Expenses:

Impairments - 392% - Impairment loss recognised for conservation areas (Heritage assets)

Loss on sale of assets - (100%) - Not budgeted

Fair value - 100% - Not budgeted

Appendix E(2)

Community and Social - (45%) - Land purchased, no development

Housing - (29%) - Projects not completed, rolled over to 2013/2014

Public Safety - (32%) - Project not completed, application for roll over of unspent allocation

Waste Management - (23%) - Projects not completed, rolled over to 2013/2014

Water - (14%) - Projects not completed, rolled over to 2013/2014

Electricity - (22%) - Projects not completed, rolled over to 2013/2014

Corporate services - (14%) - Properties acquired at no value (public contributions)

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters.

Supply Chain Management Policy
DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2012/2013 FINANCIAL YEAR

#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
1	SCD2533	2012.09.10	Clause 36(1)(a)(i)-Emergencies	Emergency assessment of industrial switching gear after an explosion at the Industrial Switching Station – Hermanus via a strip-and-quote process	Deputy Director: Electrotechnical Services, Louw D	ABB SA (Pty) Ltd	6,917.74		968.48	7,886.22
2	SCD2537	2012.09.18	Clause 36(1)(a)(i)-Emergencies	Emergency repair of industrial switching gear after an explosion at the Industrial Switching Station – Hermanus via a strip-and-quote process	Deputy Director: Electrotechnical Services, Louw D	ABB SA (Pty) Ltd	135,773.73		19,008.32	154,782.05
3	SCD2492	2012.07.12	Clause 36(1)(a)(ii)-Sole suppliers	Calibration of Truvelo speed law enforcement equipment by the sole supplier of the equipment	Isaacs LR	Truvelo Manufacturers (Pty) Ltd	9,809.04		1,373.27	11,182.31
4	SCD2508	2012.08.03	Clause 36(1)(a)(ii)-Sole suppliers	The provision of training, by the exclusively accredited service provider, to ensure that the nominated employees achieve the required full accreditation.	Senior Manager: Human Resources L Buchanani	NOSA (Pty) Ltd	11,394.74	-	1,595.26	12,990.00
5	SCD2517	2012.08.17	Clause 36(1)(a)(ii)-Sole suppliers	Procurement of credits for a postage franking machine for Hermanus from the sole service provider for this specific equipment	Manager: Council Support Services, Van Tonder H	Earlyworx 282 (Pty) Ltd	17,543.86	-	2,456.14	20,000.00
6	SCD2521	2012.08.22	Clause 36(1)(a)(ii)-Sole suppliers	The evaluation and grading of Kleinmond Beach in terms of the Blue Flag status programme, by the sole organisation authorised by the international Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Principal Technician: Operational, C Harding	WESSA	17,500.00	-	2,450.00	19,950.00
7	SCD2523	2012.08.22	Clause 36(1)(a)(ii)-Sole suppliers	The evaluation and grading of Hermanus Beaches in terms of the Blue Flag status programme, by the sole organisation authorised by the international Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Area Manager: Hermanus: D Kearney	WESSA	35,000.00	-	4,900.00	39,900.00
8	SCD2525	2012.08.29	Clause 36(1)(a)(ii)-Sole suppliers	The repair and calibration of Dräger breathalyzer equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Chief: Traffic Services: R Fraser	Dräger South Africa (Pty) Ltd	975.00	-	136.50	1,111.50
9	SCD2528	2012.09.05	Clause 36(1)(a)(ii)-Sole suppliers	The repair of the damaged H-Frame and buckets of Caterpillar 422E Backhoe Loader, by the authorized dealer of Caterpillar branded products, including parts, for the Southern African region.	Manager: Corporate Projects: JJ Arendse	Barloworld Equipment	50,675.52		7,094.57	57,770.09
10	SCD2536	2012.09.14	Clause 36(1)(a)(ii)-Sole suppliers	The Calibration of the BW Technologies Gas Alert Microchip Detector of the Fire Services Department, by the sole Authorised Agent within the Western Cape	Chief: Fire & Disaster, Jacobs A	Invuyani Safety	600.00		84.00	684.00
11	SCD2538	2012.09.17	Clause 36(1)(a)(ii)-Sole suppliers	The procurement of mouthpieces for Dräger Alcotest 6810 breathalyzer by the sole importer, supplier and service company for Dräger equipment in South Africa	Chief: Traffic Services: R Fraser	Dräger South Africa (Pty) Ltd	520.00		72.80	592.80
12	SCD2541	2012.09.21	Clause 36(1)(a)(ii)-Sole suppliers	The identification and repair of fault with a ProvoGraph meter, used to monitor the quality of electrical power, by the sole manufacturer and supplier of the specific meter.	Superintendent: Electro Technical Services, Lourens D	CT Lab (Pty) Ltd	3,796.00		531.44	4,327.44
13	SCD2486	2012.07.10	Clause 36(1)(a)(v)-Impossible	Procurement of credits for a postage franking machine for Gansbaai from the sole service provider for this specific equipment	Myburgh F	Earlyworx 282 (Pty) Ltd	40,000.00		5,600.00	45,600.00
14	SCD2487	2012.07.10	Clause 36(1)(a)(v)-Impossible	Repair of a storm damaged communications dish at the Hawston Library & Thusong Centre by the approved service provider	Van Staden J	Gijima Holdings (Pty) Ltd	5,925.00		829.50	6,754.50
15	SCD2488	2012.08.03	Clause 36(1)(a)(v)-Impossible	License fees for the use of the Traffic Contravention System software by the owner of the software for the 2012/13 financial year	Fraser R	Total Client Services (Pty) Ltd	48,800.00		6,832.00	55,632.00
16	SCD2489	2012.07.10	Clause 36(1)(a)(v)-Impossible	License fees for the use of the Innkeeper software for caravan park reservations by the owner of the software for the 2012/13 financial year	Kearney D	PSD Distribution Africa (Pty) Ltd	5,239.46		733.52	5,972.98
17	SCD2490	2012.07.10	Clause 36(1)(a)(v)-Impossible	Maintenance of bulk sewage tanks by the sole service provider approved and authorised to do so	Franken H	Flotron Instrumentation Services (Pty) Ltd	4,475.00		626.50	5,101.50
18	SCD2491	2012.07.10	Clause 36(1)(a)(v)-Impossible	Maintenance charges per copy of leased multi-functional office machines on a month-to-month basis for an interim period during the procurement of replacement equipment for June 2012	Van Staden J	Cape Office Machines (Pty) Ltd	977.07		136.79	1,113.86
19	SCD2493	2012.07.16	Clause 36(1)(a)(v)-Impossible	Repair of roller door cupboard by the supplier of the furniture	Muller S	All Office Equipment (Pty) Ltd	1,132.00		158.48	1,290.48

Supply Chain Management Policy

DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2012/2013 FINANCIAL YEAR

#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
20	SCD2494	2012.07.13	Clause 36(1)(a)(v)-Impractical or impossible	Provision of web-based monitoring of electricity power distribution network by the sole provider of the system for the period 01 July to 31 December 2012	Du Plessis JH	CT Lab (Pty) Ltd	60,000.00		8,400.00	68,400.00
21	SCD2495	2012.08.05	Clause 36(1)(a)(v)-Impractical or impossible	Construction of sewer line in Harbour Road north of the Circle (Kleinmond Harbour Development) by the contractor appointed by the developer of the site, who is already established on the site and following an official procurement process might cause undue delays and have additional cost implications for the completion of the development	Senior Manager: Engineering Services, Hendriks D	Wharfside Development Kleinmond (Pty) Ltd	-	371,018.75	51,942.63	422,961.38
22	SCD2496	2012.07.20	Clause 36(1)(a)(v)-Impractical or impossible	Design & manufacture of unique history boards at Hermanus Pietersfontein by a specialist service provider	Kearney D	Inspirations @ Home Work Play	5,440.00		-	5,440.00
23	SCD2497	2012.07.20	Clause 36(1)(a)(v)-Impractical or impossible	Provision of TCS Software maintenance license for ID & License scanners for 2012/13 by the sole supplier	Fraser R	Total Client Services Ltd	5,400.00		756.00	6,156.00
24	SCD2498	2012.07.20	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of hinges for the sweeper blades of a refuse compactor truck	Arendse JJ	Transstech	23,780.48		3,329.27	27,109.75
25	SCD2499	2012.07.20	Clause 36(1)(a)(v)-Impractical or impossible	Re-condition of engine of backhoe loader after three quotations were obtained without advertising on Council's website and notice boards	Arendse JJ	Worcester Engine Centre	35,928.00		5,029.92	40,957.92
26	SCD2500	2012.07.26	Clause 36(1)(a)(v)-Impractical or impossible	Re-condition of engine of fire engine truck after three quotations were obtained without advertising on Council's website and notice boards	Arendse JJ	Automotive Dynamix	41,202.45		5,768.34	46,970.79
27	SCD2502	2012.07.27	Clause 36(1)(a)(v)-Impractical or impossible	Repair of curtain rail in auditorium during the Kalfitees in 2011 as a strip-and-quote prior to approval of a deviation	Area Manager: Hermanus: D Kearney	Anza Curtains	1,000.00	-	-	1,000.00
28	SCD2503	2012.07.31	Clause 36(1)(a)(v)-Impractical or impossible	Provision of Parking Management Services by the existing supplier, from the 1st to the 31st of August 2012, to ensure continued service delivery and a smooth transition to the new service provider (SC12/16/2012)	Director : Protection Services: N Michaels	Buyambo Holdings	9,377.89	-	1,312.90	10,690.79
29	SCD2504	2012.08.01	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which failed to power on, by the approved service provider.	The Acting Manager: ICT J van Sladen	Benilekor Communications CC	1,783.40	-	249.68	2,033.08
30	SCD2505	2012.08.01	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with four municipal vacuum cleaners, via a strip-and-quote process.	Area Manager: Hermanus: D Kearney	Op-Sy-Kop Vac Shop	1,050.00	-	-	1,050.00
31	SCD2506	2012.08.30	Clause 36(1)(a)(v)-Impractical or impossible	Mining of gravel for road maintenance on Portion 40 of the Farm Uytendyk no. 695, per a permit, without following the standard procurement process, due to the large cost saving resulting from this special agreement.	Manager: Operational Services, D Crafford	Groenewald CS	300,000.00	-	42,000.00	342,000.00
32	SCD2507	2012.08.01	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of faults with fountain festival lights, via a strip-and-quote process, by the original supplier/importer.	Senior Manager: Electro Technical Services D Maree	Candi-Lite Cables CC	10,250.00	-	1,435.00	11,685.00
33	SCD2509	2012.08.06	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with the municipal trailer's (CAM22845) wiring and lighting, which had eroded, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Supa Quick Kleinmond	487.67	-	68.27	555.94
34	SCD2510	2012.08.06	Clause 36(1)(a)(v)-Impractical or impossible	License fees for the use of the Inkeeper software at the Palmiet / Kleinmond caravan park by the owner of the software for the 2012/13 financial year	The Area Manager: Kleinmond Administration: Jonkhed C	PSD Distribution Africa (Pty) Ltd	6,725.47	-	941.57	7,667.04
35	SCD2511	2012.08.08	Clause 36(1)(a)(v)-Impractical or impossible	Procurement of a submersible solids handling pump for the Zwelinle Main Pump Station by the sole authorised agent and distributor.	Principle Technician: Operational, D Nel	HSM Amanzi CC	-	75,756.00	10,605.84	86,361.84

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#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
36	SCD2512	2012.08.30	Clause 36(1)(a)(v)-Impractical or impossible	Extension of the eMIS license and support agreement for a period of four months, ending 31 January 2013, to coincide with the termination of the PlantMan agreement, and thereby mitigate any potential operational risks.	Acting Manager: IT Communication & Technology, Van Staden JJ	Water Management Services CC	135,675.03	-	18,994.50	154,669.53
37	SCD2513	2012.08.08	Clause 36(1)(a)(v)-Impractical or impossible	Maintenance changes per copy of leased multi-functional office machines on a month-to-month basis for an interim period during the procurement of replacement equipment for June 2012	Acting Manager: IT Communication & Technology, Van Staden JJ	Cape Office Machines (Pty) Ltd	29,158.42	-	4,082.18	33,240.60
38	SCD2514	2012.08.10	Clause 36(1)(a)(v)-Impractical or impossible	The expansion of security alarm monitoring services at the buildings of the Traffic and Housing departments by the current service provider, while remaining within the original contract period.	ADT Security (Pty) Ltd, D Esau	ADT Security (Pty) Ltd	2,796.73	-	391.54	3,188.27
39	SCD2515	2012.08.20	Clause 36(1)(a)(v)-Impractical or impossible	The extension of a lease agreement of a container, for the purpose of storage, at the Hawston sports field in order to save on costs and time, relating to delivery and collection.	Area Manager: Hermanus: D Keamey	Rent A Container	2,420.00	-	338.80	2,758.80
40	SCD2516	2012.08.17	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of faults with the municipal grader's (CEM2445) diesel pump, which was heavily worn, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Worcester Engine Centre	16,659.00	-	2,332.26	18,991.26
41	SCD2518	2012.08.17	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which had faulty antenna's and volume knobs, by the approved service provider.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications CC	1,798.00	-	251.72	2,049.72
42	SCD2519	2012.08.20	Clause 36(1)(a)(v)-Impractical or impossible	Renewal of agreement for the selling up of municipal tariffs & training for the period ending June 2013 by the original implementer and developer of the current system.	Senior Manager: Chief Electrical Services, Du Plessis JH	PJ Technologies Cape CC	7,976.00	-	1,116.64	9,092.64
43	SCD2520	2012.08.17	Clause 36(1)(a)(v)-Impractical or impossible	The supply and installation of an insertion flow meter by manufacturer and implementer of the "My City" flow monitoring system for the Overstrand Municipality.	Deputy Director: Community Services, M Bateman	Flotron Instrumentation Services (Pty) Ltd	26,191.00	-	3,666.74	29,857.74
44	SCD2522	2012.08.24	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with a Dell MFP 1815DN printer, which needed to be serviced and have a sensor repaired, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	CompuSup.com	895.00	-	125.30	1,020.30
45	SCD2526	2012.09.05	Clause 36(1)(a)(v)-Impractical or impossible	The calibration and repair of Endress & Hauser transmitter and sensor at Pringle Bay by the original supplier and installer of the product, due to the product still being under warranty.	Principal Technician: Operational, C Harding	Hemtech	3,720.00	-	520.80	4,240.80
46	SCD2527	2012.08.31	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with vehicle CAM165's gearbox, which needs to have bearing replaced, and vehicle CEM26264's differential, which needs to be shimmed and have bearings replaced, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Worcester Gearbox Centre	8,422.35	-	1,179.13	9,601.48
47	SCD2529	2012.09.05	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which either could not charge, had no reception, or required parts to be replaced, by the approved service provider.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications	1,514.00	-	211.96	1,725.96
48	SCD2530	2012.09.05	Clause 36(1)(a)(v)-Impractical or impossible	Appointment of a service provider for the development of Spatial Development Frameworks over a period of a year as a natural continuation of the appointment in terms of SC429/2008 for work already commenced in terms of the contract	Senior Manager: Planning & Property Administration, Kuchar R	Urban Dynamics (Pty) Ltd	1,206,440.35	-	168,901.65	1,375,342.00
49	SCD2531	2012.09.07	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of faults with Tiger NX3F breaker, which is needed to safely handle overcurrent situations, via a strip-and-quote process.	Superintendent: Electro Technical Services, Lourens D	De Kock & Cronje CC	23,830.00	-	3,336.20	27,166.20
50	SCD2532	2012.09.10	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which would not turn on, by the approved service provider.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benliekor Communications	629.00	-	88.06	717.06
51	SCD2534	2012.09.12	Clause 36(1)(a)(v)-Impractical or impossible	The identification and repair of fault with a HP M2727 printer, which needed to have a formatter and scanner motor repaired, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	Heldertech	1,210.00	-	169.40	1,379.40

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52	SCD2535	2012.09.12	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of a diesel boiler at the Onrus Caravan Park via a strip-and-quote process.	Senior Resort Manager, Potgieter R	Pro Heat & Energy Electrical CC	877.19		122.81	1,000.00
53	SCD2539	2012.09.14	Clause 36(1)(a)(v)- Impractical or impossible	The repair of specialised fire protective clothing, which must meet specific NFPA and SABS standards, by the company authorised to repair LYMAE clothing and who is the sole distributor of LYMAE products in the Western Cape.	Chief: Fire & Disaster, Jacobs A	Invuyani Safety	592.10		82.89	674.99
54	SCD2540	2012.09.19	Clause 36(1)(a)(v)- Impractical or impossible	The assessment and repair of a storm water manhole in Hermanus main road, which has begun collapsing, via a strip-and-quote process.	Principal Technician, Nel D	Alan Bailey Civils CC	6,877.19		962.81	7,840.00
55	SCD2543	2012.09.28	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of faults with high-pressure steam machines, which are out of warranty, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Boland Hoëdrukspuile (Pty) Ltd	9,163.95		1,282.95	10,446.90
56	SCD2554	2012.10.12	Clause 36(1)(a)(i)- Emergencies	The emergency repair of a 630kV mini-substation in Kleinmond which began leaking oil, via a strip-and-quote	Senior Manager: Chief Electro Technical Services: K du Plessis	Power Transformers (Pty) Ltd	9,300.00		1,302.00	10,602.00
57	SCD2556	2012.10.18	Clause 36(1)(a)(i)- Emergencies	The emergency/urgent procurement of food and refreshments for community members affected after a fire at the Overhills informal settlement on 21 September 2012	Manager: Housing Administration: F Frans	Kleinmond SPAR	1,133.62		76.27	1,209.89
58	SCD2560	2012.10.18	Clause 36(1)(a)(i)- Emergencies	The urgent procurement and delivery of 25x4 and 70x4 SWA electrical cables from an alternate supplier due to non-performance of the successful bidder of SC1180/2012, to ensure continued service delivery by the electrical department.	Storekeeper: Gansbaai: J. Van der Merwe	Sivaphambili Electrical & Industrial Supplies CC	120,320.00		16,844.80	137,164.80
59	SCD2545	2012.10.05	Clause 36(1)(a)(ii)- Sole suppliers	The supply and delivery of 6kw UV lamps and fittings for Triogen UV-System from the sole agents for all UV systems manufactured by Triogen for South Africa	Principal Technician: Operational: C. Harding	Nine Kings CC	54,470.00		7,625.80	62,095.80
60	SCD2550	2012.10.04	Clause 36(1)(a)(ii)- Sole suppliers	Procurement of credits for a postage franking machine for Hermanus Administration from the sole service provider for this specific equipment, for the period ending 30 June 2013 and not exceeding a total cost of R120,000.00, exclusive of VAT.	Manager: Council Support Services: H van Tonder	Earlyworx 282 (Pty) Ltd	120,000.00		16,800.00	136,800.00
61	SCD2551	2012.10.09	Clause 36(1)(a)(ii)- Sole suppliers	The identification and repair of fault (strip-and-quote) of SebakMT Telexel T3050 by the authorized agent within the Western Cape, as confirmed by the sole importer/agent for SebakMT in southern Africa.	Senior Superintendent: Electrical: Nigini J	Flo Specialized Product Solutions CC	1,430.00		200.20	1,630.20
62	SCD2555	2012.10.12	Clause 36(1)(a)(ii)- Sole suppliers	The provision of training, by the only accredited service provider within the Western Cape, to ensure that the nominated employees achieve the required full accreditation.	Environmental Officer: K Van der Merwe	The Nature College Wild Life Training	24,000.00		3,360.00	27,360.00
63	SCD2568	2012.11.09	Clause 36(1)(a)(ii)- Sole suppliers	The Servicing and repair of Caterpillar equipment (CAM16700 & CEM19317) by the sole authorised agent for Southern Africa	Manager: Corporate Projects: JJ Arendse	Barfoworld Equipment	24,833.74		3,476.72	28,310.46
64	SCD2570	2012.11.16	Clause 36(1)(a)(ii)- Sole suppliers	The identification and repair of fault (strip-and-quote) of an Ursus 4512 tractor via a strip-and-quote process, by the authorized agent of Ursus tractors in South Africa	Manager: Corporate Projects: JJ Arendse	Ursus S.A. (Pty) Ltd	1,791.73		250.84	2,042.57
65	SCD2571	2012.11.12	Clause 36(1)(a)(ii)- Sole suppliers	The identification and repair of faults with the compactor truck (CEM6932) by the accredited agent within the greater cape area (Northern, Western & Eastern) via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Transtech	66,177.63		9,264.87	75,442.50
66	SCD2573	2012.11.16	Clause 36(1)(a)(ii)- Sole suppliers	Procurement of credits for a postage franking machine for Kleinmond Administration from the sole service provider for this specific equipment, for the period ending 30 June 2013 and not exceeding a total cost of R58 320.00, exclusive of VAT.	Senior Manager: Kleinmond: C Jonkhoeid	Earlyworx 282 (Pty) Ltd	58,320.00		8,164.80	66,484.80
67	SCD2574	2012.11.22	Clause 36(1)(a)(ii)- Sole suppliers	The repair and service of Bauer Air Compressors by the sole authorised South African agent.	Divisional Commander: Gansbaai & Stanford: B Lobb	High Pressure Systems	5,513.90		771.95	6,285.85
68	SCD2577	2012.11.26	Clause 36(1)(a)(ii)- Sole suppliers	The supply and delivery of SP1-Yel Quick Seals, from the sole authorised suppliers of NIC products for the African region.	Senior Manager: Chief Electro Technical Services: K du Plessis	Power Measurement & Distribution CC	19,250.00		2,695.00	21,945.00
69	SCD2578	2012.11.28	Clause 36(1)(a)(ii)- Sole suppliers	Procurement and installation of 100w Heaters for the Hermanus Industrial Switching Station by the sole manufacturer of the product which adheres to required specifications	Senior Manager: Chief Electro Technical Services: K du Plessis	ABB SA (Pty) Ltd	38,814.76		5,434.07	44,248.83

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70	SCD2552	2012.10.09	Clause 36(1)(a)(iii) Special works of Art	The procurement of music services for the purpose of entertainment at the National Blue Flag Campaign, held at Grotto Beach, without obtaining three quotations as it is too difficult to develop specifications for the procurement of works of art	Manager: Communications: F Krige	The Zweilthie Marimba Band	800.00		-	800.00
71	SCD2562	2012.10.23	Clause 36(1)(a)(iii) Special works of Art	The procurement of music services for the purpose of entertainment at the Mayoral Cup Tournament 2012, held in Gansbaai, without obtaining three quotations due to the uniqueness/individuality related to the procurement of works of art	Senior Manager: Gansbaai/Stamford: F Myburgh	S.S. Jacobs	3,000.00		-	3,000.00
72	SCD2542	2012.10.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault as well as service of Jonway scooters by the authorised agent within the Overstrand Area	Manager: Corporate Projects: JJ Arendse	Hermanus Mower Centre	2,488.60		348.40	2,837.00
73	SCD2544	2012.10.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with the electrical roller door at the Hermanus Transfer Station, which cannot open and has loose brackets, via a strip-and-quote process	Manager: Solid Waste Planning: J van Taak	Amoroc Doors	2,543.86		355.14	2,900.00
74	SCD2546	2012.10.05	Clause 36(1)(a)(v)- Impractical or impossible	The payment of Overstrand Municipality's obligation towards the Kraalbosch Dam safety inspection, as required in terms of the original binding contract	Deputy Director: Engineering Services: H Blignaut	Lomond Wine Estate (Pty) Ltd	7,982.84		1,117.60	9,100.44
75	SCD2547	2012.10.19	Clause 36(1)(a)(v)- Impractical or impossible	The identification of fault and service of Hanna HI 9146 DO Meter, via a strip-and-quote process, as it is required that the supplier first investigate the equipment before providing a reliable quote	Senior Manager: Environmental Services: Bezuidenhout L	Hanna Instruments	1,052.63		147.37	1,200.00
76	SCD2548	2012.10.01	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with the Cherry Picker of truck CEM15338, which includes moving the hydraulic pipes to the outside of the boom for easier access and fault-finding in the future	Manager: Corporate Projects: JJ Arendse	Hycro Hydraulics & Pneumatics CC	15,600.00		2,184.00	17,784.00
77	SCD2557	2012.10.18	Clause 36(1)(a)(v)- Impractical or impossible	The identification and repair of fault with a Samsung SCX-4720FN printer, which needed to have its main board replaced, via a strip-and-quote process	Acting Manager: IT Communication & Technology, Van Staden JJ	Heldentech	2,370.00		331.80	2,701.80
78	SCD2558	2012.10.18	Clause 36(1)(a)(v)- Impractical or impossible	The identification of fault and subsequent replacement of the fish pond pump at the Hermanus head office, via a strip-and-quote process	Horticulturist: L Rainbird	Louis Havenga	2,390.00		-	2,390.00
79	SCD2559	2012.10.18	Clause 36(1)(a)(v)- Impractical or impossible	The booking of a space at the Cape Geladway show without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Tourism: S Greeff	Ramsay Media (Pty) Ltd	10,361.00		1,450.54	11,811.54
80	SCD2561	2012.10.25	Clause 36(1)(a)(v)- Impractical or impossible	The Calibration of vehicle testing equipment without obtaining three quotations, as only two prospective bidders could be identified which met the municipality's technical requirements.	Chief: Traffic Services: R Fraser	Workshop Electronics CC	7,010.00		981.40	7,991.40
81	SCD2563	2012.10.23	Clause 36(1)(a)(v)- Impractical or impossible	The repair to a leaking water pipe at Hermanus Primary School by the supplier who identified the cause of the leak, after it was found that responsibility for the repair lies with the municipality.	Principal Technician: D Nel	Flo-Right Irrigation	1,003.46		140.48	1,143.94
82	SCD2564	2012.10.19	Clause 36(1)(a)(v)- Impractical or impossible	The urgent procurement of low-in services from the only available service provider in immediate Hermanus area, as the occupants of the towed vehicle where not in a state to drive.	Chief: Traffic Services: R Fraser	Hermanus Towing	482.46		67.54	550.00
83	SCD2565	2012.10.23	Clause 36(1)(a)(v)- Impractical or impossible	The part payment for the installation of a new repeater in Gansbaai, due to the original unit being vandalized, as per the agreement reached between the respective parties.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benlekor Communications	15,666.67		2,193.33	17,860.00
84	SCD2566	2012.10.26	Clause 36(1)(a)(v)- Impractical or impossible	The provision of on-site support services for the Collaborator Foundation System for a period of 8 months ending 30 June 2013, from the primary owner of the system.	Manager: Council Support Services: H van Tonder	Business Engineering (Pty) Ltd	232,560.00		32,558.40	265,118.40
85	SCD2567	2012.10.29	Clause 36(1)(a)(v)- Impractical or impossible	The inspection of fault with and subsequent replacement of a manifold for vehicle CEM 14827, which needs to specially measured and moulded to fit the vehicle.	Manager: Corporate Projects: JJ Arendse	Gamco Services	2,776.85		388.76	3,165.61

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86	SCD2549	2012.11.16	Clause 36(1)(a)(v)-Impossible	The reimbursement of Mediclinic for the repair of a sewerage pipeline which was identified afterwards to have been the responsibility of Overstrand Municipality.	Principal Technician, Nel D	Mediclinic	3,333.34		466.67	3,800.01
87	DD2218A/20	2012.11.19	Clause 36(1)(a)(v)-Impossible	The amendment of the final contract value of SCD2218/2012: Acquisition of Microsoft Software Licenses, which was initially incorrectly quoted due to human error.	Acting Manager: IT Communication & Technology, Van Staden JJ	First Technology (Pty) Ltd	211,312.79		29,583.79	240,896.58
88	SCD2569	2012.11.02	Clause 36(1)(a)(v)-Impossible	The identification and repair of fault with the "Cherry Picker" of truck CEM15338, which need to have its hydraulic cylinder and main arm replaced.	Manager: Corporate Projects: JJ Arendse	Heco Hydraulics & Pneumatics CC	5,130.00		718.20	5,848.20
89	SCD2575	2012.11.22	Clause 36(1)(a)(v)-Impossible	The identification and repair of fault with multiple Motorola handheld radios (i.e. broken antenna and alignment of internals), via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benilekor Communications	2,149.00		300.86	2,449.86
90	SCD2576	2012.11.21	Clause 36(1)(a)(v)-Impossible	The maintenance of My City flow metering system in Gansbaai by the manufacturer and implementer of the system for the Overstrand Municipality.	Superintendent: Water & Sanitation: Franken H	Floiron Instrumentation Services (Pty) Ltd	14,750.00		2,065.00	16,815.00
91	SCD2586	2012.12.21	Clause 36(1)(a)(v)-Impossible	The urgent (emergency) procurement of pumping services for the emptying of 6 overflowing sludge-settling dams in Gansbaai without following the required procurement processes due to the incident occurring over the weekend. The overflow was caused by increased consumption due to influx of visitors and high temperatures.	Superintendent: Water & Sanitation: Franken H	Fried de Pauw Commercial Diving Services	12,000.00		-	12,000.00
92	SCD2582	2012.12.10	Clause 36(1)(a)(v)-Impossible	Identification and repair of fault with a chemical lime dosing pump at the Preekstoel water treatment plant by the official agents of Millon Roy equipment in the Western Cape	Principal Technician, D Nel	Maxal Projects SA (Pty) Ltd	12,753.00		1,785.42	14,538.42
93	SCD2583	2012.12.14	Clause 36(1)(a)(v)-Impossible	Servicing and/or repair of Fire Services breathing apparatus, to ensure compliance with the CHASA Act of 1983, by the sole authorised South African agent through the strip-and-quote process	Acting Chief Fire Officer: MD Rust	SAMSAC Africa (Pty) Ltd	6,619.27		926.70	7,545.97
94	SCD2584	2012.12.14	Clause 36(1)(a)(v)-Impossible	Procurement and installation of a new ejector cylinder for refuse truck CEM 6932 from the sole accredited agent within the greater Cape area (Northern, Western and Eastern).	Manager: Corporate Projects: JJ Arendse	Transtech	10,170.95		1,423.93	11,594.88
95	SCD2590	2012.12.21	Clause 36(1)(a)(v)-Impossible	The repair of the telemetry system of the Hawston Reservoir by the approved sole service provider after being damaged by vandals	Principal Technician, Nel D	Spectrum Communications (Pty) Ltd	2,034.00		284.76	2,318.76
96	SCD2579	2012.12.05	Clause 36(1)(a)(v)-Impossible	Procurement of 200 specialised calendars for use as a marketing tool and gift, without obtaining 3 quotations due to the uniqueness/individuality as procurement of works of art	Manager: Communications: F Krige	Northcliff House College	11,800.00		-	11,800.00
97	SCD2580	2012.12.05	Clause 36(1)(a)(v)-Impossible	Procurement of 11kv bundle conductor for the replacement of a faulty line in Zwellie without obtaining 3 formal written quotations due to the specialised nature and long lead times for procuring 11kv conductor cable, after it was found that the conductor kept on inventory per the stock tender, is not suitable for the project	Senior Manager: Chief Electro Technical Services: K du Plessis	Universal Cables CC	109,750.00		15,365.00	125,115.00
98	SCD2581	2012.12.10	Clause 36(1)(a)(v)-Impossible	Inspection of fault with, and subsequent repair of, the differential for vehicle CEM 26226, via a strip-and-quote process	Manager: Corporate Projects: JJ Arendse	Worcester Gearbox Centre	5,329.00		746.06	6,075.06
99	SCD2585	2012.12.18	Clause 36(1)(a)(v)-Impossible	Provision of electricity power quality monitoring services for a six month period by the manufacturer and supplier of the system employed by the municipality, with the provision that S116(3) of the MFMA will be adhered to by 30 June 2013.	Senior Manager: Chief Electro Technical Services: K du Plessis	CT Lab (Pty) Ltd	60,000.00		8,400.00	68,400.00
100	SCD2587	2012.12.19	Clause 36(1)(a)(v)-Impossible	The booking of a space at the Beek Holiday Show without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Tourism: S Greeff	Interactive Trading 498 (Pty) Ltd	11,655.00		1,631.70	13,286.70

Supply Chain Management Policy
DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2012/2013 FINANCIAL YEAR

#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
101	SCD2588	2012.12.20	Clause 36(1)(a)(v)-Impractical or impossible	Strip-and-quote repair of fault with two-way hand-held radio, which had faulty microphones and fuses, by the approved services provider	Acting Manager: IT Communication & Technology, Van Staden JJ	Benlekor Communications CC	5,082.50		711.55	5,794.05
102	SCD2589	2012.12.21	Clause 36(1)(a)(v)-Impractical or impossible	The removal, identification and repair of two-way communication repeaters at Waterloep & Salomonsdam in Gansbaai by the approved service provider via strip-and-quote processes after the theft of equipment and damage to the installations.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benlekor Communications CC	26,395.00		3,695.30	30,090.30
103	SCD2591	2012.12.21	Clause 36(1)(a)(v)-Impractical or impossible	The repair of VHF Repeaters at Hermanus & Gansbaai Fire Fighting services as a strip-and-quote process as the damages are impossible to establish and it is impractical to have another service provider perform the same	Acting Manager: IT Communication & Technology, Van Staden JJ	Benlekor Communications CC	2,212.00		309.68	2,521.68
104	SCD2605	2013/03/08	Clause 36(1)(a)(i)	The procurement of emergency fire fighting services for the period 24/12/2012 – 29/01/2013 as the magnitude of situation exceeded the municipality's own resources.	Acting Chief: Fire & Disaster, Rust M.	FFA Aviation (Pty) Ltd	1,188,533.51		168,394.69	1,354,928.20
105	SCD2596	2013/01/22	Clause 36(1)(a)(ii)	Calibration of Truvelo speed law enforcement equipment by the sole supplier of the equipment	Chief: Traffic Services: R Fraser	Truvelo Manufacturers (Pty) Ltd	9,809.04		1,373.27	11,182.31
106	SCD2598	2013/02/05	Clause 36(1)(a)(ii)	Procurement of services for the repair and servicing of a pump at the Hermanus Waste Water Treatment Works by the sole authorised agent	Principal Technician, Nel D	Maxal Projects (SA) (Pty) Ltd	12,022.00		1,683.08	13,705.08
107	SCD2600	2013/02/07	Clause 36(1)(a)(ii)	The testing and service of Dräger Self-Contained Breathing equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Station Commander: Hermanus, Apdon A	Dräger South Africa (Pty) Ltd	3,635.00		508.90	4,143.90
108	SCD2610	2013/03/14	Clause 36(1)(a)(ii)	Identification and repair of fault with a chemical lime dosing pump feeder at the Preekstoeel water treatment plant by the official agents of Milton Roy equipment in the Western Cape	Principal Technician, Nel D	Maxal Projects (SA) (Pty) Ltd	7,686.00		1,076.04	8,762.04
109	SCD2593	2013/01/10	Clause 36(1)(a)(v)	The procurement of system specific Payroll IRP5 training, for two municipal employees, by current service provider of the municipality's personnel and payroll system.	Senior Manager: Human Resources L Buchanani	Pay-Day Software Systems	7,543.86		1,056.14	8,600.00
110	SCD2594	2013/01/10	Clause 36(1)(a)(v)	The identification and repair of a leak in the south-west corner office at the Hermanus head office via a strip-and-quote process.	Principal Technician, Nel D	Waterworks CC	7,400.00		1,036.00	8,436.00
111	SCD2595	2013/01/11	Clause 36(1)(a)(v)	The relocation and testing of the Server for the Inkkeeper Booking System used at the Onrus Caravan Park to the Hermanus Data Centre, in order to identify whether or not the system is able to operate via the network from a centralized point, by the current service provider of the system to Overstrand Municipality (Phase 1)	Acting Manager: IT Communication & Technology, Van Staden JJ	PSD Distribution Africa (Pty) Ltd	2,920.00		408.80	3,328.80
112	SCD2597	2013/02/01	Clause 36(1)(a)(v)	Strip-and-quote repair of fault with two-way hand-held radio, which had faulty microphones and fuses, by the approved service provider.	Acting Manager: IT Communication & Technology	Benlekor Communications CC	8,488.00		1,188.32	9,676.32
113	SCD2599	2013/02/04	Clause 36(1)(a)(v)	The inspection of fault with, and subsequent repair of, the "Prinon Shaft" for vehicle CEM 8154 by the sole dealer/agent for the Western and Eastern Cape, via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Kemach Cape (Pty) Ltd	2,839.34		397.51	3,236.85
114	SCD2601	2013/02/13	Clause 36(1)(a)(v)	The continued leasing of office space at 37 5th Avenue, Kleinmond, due to the current shortage of municipal office space for Town Planning personnel in the Kleinmond area, for the period 1 July 2012 to 30 June 2015, effective as of 1 March 2013	Senior Manager: Town Planning & Property Administration	Alida Bekker	162,320.00		-	162,320.00
115	SCD2602	2013/02/19	Clause 36(1)(a)(v)	The relocation of the server for Inkkeeper booking system used at the Onrus and Kleinmond Caravan Parks, to the Hermanus Data Centre, in order to operate the system via the network from a centralized point, by the current service provider of the system (Phase 2).	Acting Manager: IT Communication & Technology, Van Staden JJ	PSD Distribution Africa (Pty) Ltd	3,120.00		436.80	3,556.80
116	SCD2603	2013/02/19	Clause 36(1)(a)(v)	The identification and repair of fault with the gearbox for vehicle CAM 31017 via a strip-and-quote process.	Manager: Corporate Projects: JJ Arendse	Autotech & CEO Hydraulic Engineering	3,066.67		429.33	3,496.00
117	SCD2604	2013/02/25	Clause 36(1)(a)(v)	The procurement of REK staples for Nashua MP5000 printer from the current Lessor of the machine, in terms of the service agreement which stipulates that a lessee may only use consumables supplied by Nashua.	Acting Manager: IT Communication & Technology, Van Staden JJ	Nashua Breede Valley – (Hybitcode (Pty) Ltd)	1,950.00		273.00	2,223.00
118	SCD2606	2013/03/12	Clause 36(1)(a)(v)	The identification of fault with Unicab fire truck via a strip-and-quote process, which includes engine inspection, chassis checked for obstructions and replacement of lubricants and fuel	Acting Chief: Fire & Disaster, Rust M.	Fire Raider (Pty) Ltd	20,000.00		2,800.00	22,800.00

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DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 2012/2013 FINANCIAL YEAR

#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
119	SCD2607	2013/03/28	Clause 36(1)(a)(v)	The identification of fault with, and subsequent replacement of, VHF and UHF radio repeaters and antenna at Dangepoint, Gansbaai, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, Van Staden JJ	Benielor Communications CC	15,640.00		2,189.60	17,829.60
120	SCD2608	2013/03/13	Clause 36(1)(a)(v)	The procurement of catering services for day 1 (2013/03/14) of the Annual Traffic Chiefs' Form hosted by Overstrand Municipality from 14 to 15 March 2013.	Chief: Traffic Services: R Fraser	PJ Hendriksz I/a EAT Hermanus	4,649.12		650.88	5,300.00
121	SCD2609	2013/03/14	Clause 36(1)(a)(v)	The identification and repair of fault with the clutch for vehicle CAM 9402 via a strip-and-quote process, as the vehicles gearbox needs to first be removed and opened in order to identify the fault.	Manager: Corporate Projects: JJ Arendse	Ursus S.A. (Pty) Ltd	6,251.98		875.28	7,127.26
122	SCD2611	2013/03/18	Clause 36(1)(a)(v)	The repair of unforeseen faults identified during the replacement of bolts on a raw water sump at Palmiet River, as it was identified that certain components cannot be repaired and need to be replaced.	Principal Technician, Harding C	Equisale 115 CC I/a Pump Service Centre	3,621.60		507.02	4,128.62
123	SCD2612	2013/04/02	Clause 36(1)(a)(ii)	The testing and service of 21 units of Dräger Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Station Commander: Hermanus, A. Aplon	Dräger South Africa (Pty) Ltd	10,895.00	-	1,525.30	12,420.30
124	SCD2613	2013/04/17	Clause 36(1)(a)(v)	The payment of costs related to the continued development and improvement of Overstrand Municipality's Financial Management System (SAMRAS), as per the municipality's SLA with the contractor.	System Administrator: Finance, Loubser JT	Bytes System Integration (Pty) Ltd	276,903.15	-	38,766.44	315,669.59
125	SCD2614	2013/04/05	Clause 36(1)(a)(v)	The auditing of bulk meters by a specialist service provider, with the needed equipment, and experience, who is also the original implementer and developer of the current system, with the provision that S116(3) of the MFMA will be adhered to by 30 June 2013.	Senior Manager: Chief Electrical Services, K. du Plessis	PJ Technologies Cape CC	22,100.25	-	3,094.04	25,194.29
126	SCD2615	2013/04/05	Clause 36(1)(a)(v)	The identification and repair of fault with the APC Smart UPS used at the Kleinmond ICT Data Centre, which needed to have its batteries replaced, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, J. Van Staden	UPS Cape CC I/a AC Digital Energy	2,266.00	-	317.24	2,583.24
127	SCD2616	2013/04/05	Clause 36(1)(a)(v)	The Provision of Professional Services for the establishment of market-related remuneration for top management	Municipal Manager, C. Goenewald	Work Dynamics (Pty) Ltd	17,543.86	-	2,456.14	20,000.00
128	SCD2617	2013/04/10	Clause 36(1)(a)(v)	The procurement and implementation of Phase 1 of the SAMRASPlus system as well as the required Bytes Operating Software for the said system (once-off), from the developer of the system and whom is the current supplier of the municipality's Financial Management System.	Acting Manager: IT Communication & Technology, J. Van Staden	Bytes System Integration (Pty) Ltd		255,768.00	35,947.52	292,715.52
129	SCD2618	2013/04/10	Clause 36(1)(a)(v)	The identification and repair of fault with the gearbox for tractor CEM 26581 via a strip-and-quote process, as the municipal workshop does not have the needed equipment to remove the gears in order to perform a full inspection.	Manager: Corporate Services, Arendse JJF	Ursus S.A. (Pty) Ltd	18,460.00	-	2,584.40	21,044.40
130	SCD2619	2013/04/10	Clause 36(1)(a)(v)	The identification and repair of faults within the Hermanus electrical telemetry network, by the original implementer of the system, who is also the only service provider with the required capacity and equipment needed to accurately identify the fault.	Senior Manager: Chief Electro Technical Services, du Plessis, K	Spectrum Communications (Pty) Ltd	4,860.00	-	680.40	5,540.40
131	SCD2620	2013/04/11	Clause 36(1)(a)(ii)	The supply and delivery of SPI-Yel Quick Seals, from the sole authorised suppliers of NIC products for the African region.	Senior Manager: Chief Electro Technical Services, du Plessis, K	Power Measurement & Distribution CC	12,320.00	-	1,724.80	14,044.80
132	SCD2621	2013/04/12	Clause 36(1)(a)(ii)	The testing and service of Dräger Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa.	Station Commander: Hermanus, Aplon A.	Dräger South Africa (Pty) Ltd	4,134.50	-	578.83	4,713.33
133	SCD2622	2013/04/15	Clause 36(1)(a)(ii)	The testing and calibration of BW Gas Alert Microchip detectors, by the sole approved representative for BW Technology products in the Western Cape.	Station Commander: Hermanus, Aplon A.	Invuyani Safety CC	1,767.00	-	247.38	2,014.38
134	SCD2623	2013/04/16	Clause 36(1)(a)(v)	The renewal and hosting of Overstrand Municipality's tourism website (www.whalecoast.info), originally controlled by the Cape Whale Coast DMO, until 30 April 2013, by the company who original developed and currently maintains the site.	Manager: Tourism, Greeff S.	Studio 137	2,845.00	-	-	2,845.00
135	SCD2624	2013/04/25	Clause 36(1)(a)(v)	The 6 monthly preventative maintenance service of Riello Aros Multistandard UPS system by the sole AROS distributor and service centre for Riello Aros systems in Western and Eastern Cape provinces.	Acting Manager: IT Communication & Technology, J. Van Staden	UPS Cape CC I/a AC Digital Energy	3,990.00	-	558.60	4,548.60
136	SCD2626	2013/04/29	Clause 36(1)(a)(v)	The identification and repair of fault with HP Colour Laserjet printer, which needed to have its formatter and fax module replaced, via a strip-and-quote process.	Acting Manager: IT Communication & Technology, J. Van Staden	Heldtech CC	3,270.00	-	457.80	3,727.80

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#	Deviation #	Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
137	SCD2617a	2013/05/30	Clause 36(1)(a)(v)	The technical setup and commissioning of the VM Server environment to host SAMRASPlus, as part of the implementation of Phase 1 of the SAMRASPlus system, by the developer of the system and whom is the current supplier of the municipality's Financial Management System.	Acting Manager: IT Communication & Technology, J. Van Staden	Bytes System Integration (Pty) Ltd		42,560.00	5,958.40	48,518.40
138	SCD2625	2013/05/03	Clause 36(1)(a)(i)	The emergency procurement of tow-in services for the towing of municipal truck CEM 20030 by the nearest available service provider without being able to obtain three quotations due to the incident occurring outside of office hours (03 April 2013 @ 18:53)	Manager: Corporate Services, Arendse JJF	De Kock Panel beaters & Spraypainters CC	6,800.00	-	952.00	7,752.00
139	SCD2627	2013/05/23	Clause 36(1)(a)(v)	Provision of the Municipal Finance Management Development Programme for Group 4 to ensure compliance with the MFMA.	Senior Manager: Human Resources L. Buccianeri	University – School of Public Leadership Stellenbosch	1,087,500.00	-	-	1,087,500.00
140	SCD2628	2013/05/17	Clause 36(1)(a)(v)	A presentation on the expected future economic trends within South Africa and its impact on local government, by a specialist.	Municipal Manager, Groenewald C	Mr. Mike Schussler via his corporation: Rain CC	24,561.40	-	3,438.60	28,000.00
141	SCD2629	2013/05/20	Clause 36(1)(a)(v)	The identification and repair of fault with the final drive for tractor CEM 21823 via a strip-and-quote process, as the municipal workshop does not have the needed equipment to perform a full inspection.	Manager: Corporate Services, Arendse JJF	Ursus S.A. (Pty) Ltd	3,473.93	-	486.35	3,960.28
142	SCD2630	2013/05/22	Clause 36(1)(a)(v)	The identification and repair of fault with the cylinder head of vehicle CEM 22015, which had been damaged after the timing-belt snapped, via a strip-and-quote process.	Manager: Corporate Services, Arendse JJF	Worcester Enlinsentrum	2,895.00	-	405.30	3,300.30
143	SCD2631	2013/05/23	Clause 36(1)(a)(iii)	The manufacture and erection of a specially designed sun dial to be used as an attraction at Swallow Park, Hermanus	Senior Manager: Hermanus, Kearney D	Hermanus Astronomy Centre	11,750.00	-	-	11,750.00
144	SCD2632	2013/06/27	Clause 36(1)(a)(v)	The provision of Intellicash bank reconciliation software from originally designer and developer of the system and who also owns sole copyright, as the risk of implementing an alternative system during the financial year would have an impact on the reconciliations, financial statements and external audit of the municipality.	Senior Manager: Financial Services, King B	Pricewaterhouse Coopers Inc.	70,443.37	-	9,862.07	80,305.44
145	SCD2633	2013/06/19	Clause 36(1)(a)(v)	The identification and repair of fault with Caterpillar Grader, which first had to have its blades inspected in order to identify the extent of repairs required, via a strip-and-quote process and by the authorized dealer for Caterpillar equipment in the Republic of South Africa.	Manager: Corporate Services, Arendse JJF	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	32,176.79	-	4,504.75	36,681.54
146	SCD2634	2013/06/24	Clause 36(1)(a)(v)	The identification and repair of fault with the hydraulic pump for Grader CEM 2445 via a strip-and-quote process, as the municipal workshop does not have the needed equipment and / or capacity to perform a full inspection.	Manager: Corporate Services, Arendse JJF	Hyco Hydraulics & Pneumatics CC	28,250.00	-	3,955.00	32,205.00
147	SCD2635	2013/06/19	Clause 36(1)(a)(v)	The identification of fault with the fuel pump of vehicle CEM 24211, which had a faulty safety switch, via a strip-and-quote process. Subsequent to the investigation it was decided that the repairs will be done in-house in order to minimize costs.	Manager: Corporate Services, Arendse JJF	Barloworld Equipment, a division of Barloworld South Africa (Pty) Ltd	4,380.00	-	613.20	4,993.20
148	SCD2636	2013/06/28	Clause 36(1)(a)(v)	The identification of fault with the radio repeater site at Salmonsdam, which had been vandalised, via a strip-and-quote process. Subsequent to the investigation it was decided that the site will not be repaired and that an alternate solution will be investigated.	Manager: IT Communication & Technology, van Staden J	Estreaux Systems CC via Bentiekor Communications	2,606.00	-	364.84	2,970.84
149	SCD2637	2013/06/28	Clause 36(1)(a)(v)	The provision of support services regarding the back-up procedures on the SAMRAS DB4 server by the sole developer, supplier and implementer on the system.	System Administrator: Finance, Loubser, JT	Bytes Systems Integration (Pty) Ltd	3,040.00	-	425.60	3,465.60
							6,882,971.80	746,102.75	885,722.70	8,514,797.24

SUPPLY CHAIN MANAGEMENT

Awards to close family members of persons in the service of the state in excess of R 2 000- 2011/2012 financial year in terms of Clause 45 of the policy

Creditor Num.	SCD Num.	Company Name	Relationship Type	Name	Government Entity	Capacity of employment	Amount
H000088	21	ADENCO CONSTRUCTION (PTY) LTD	CHILD	MACHIMANA HV	Transnet Port Terminals	Mechatronic Engineer	R 1,701,429.92
H000318	314	ANDY'S LOW PROFILE SECURITY	SPOUSE	LOWINGS E	Overstrand Municipality	Admin Ass Building Control	R 39,295.80
K94455	1774	ANTONIE C	SPOUSE	ANTONIE S	Overstrand Municipality	Committee Official	R 30,530.00
H93792	280	AURECON SOUTH AFRICA (PTY) LTD	FAMILY	GELDENHUYNS N	Transnet Port Terminals	Mechatronic Engineer	R 6,598,957.99
H94682	1814	BAARDMAN DO	SPOUSE	BAARDMAN M	Overstrand Municipality	Chief Clerk: Rates & Housing	R 17,550.00
K90303	1109	CARELSE EG	BROTHER	CARELSE W	Overstrand Municipality	Parks	R 428,625.13
H95422	2578	COALITION TRADING 1318	SPOUSE	TOBIAS-MEINTJIES AA	Theewaterskloof Municipality	Forman: Street & Stormwater	R 460,321.06
G004086	1510	D & J VERVOER	PARENT	VERMEULEN JC	Overstrand Municipality	Accountant: Income	R 193,806.00
G93478	2236	DOWN SOUTH SURF AND TURF	SPOUSE	NEL C	Overstrand Municipality	Senior Clerk Income	R 12,600.00
G93497	2326	DREYER B	INLAW	DICKSON R	Overstrand Municipality	Building Inspector	R 2,004.00
H91751	477	DU PLESSIS SW	INLAW	DICKSON M	Overstrand Municipality	Senior Clerk	R 154,501.11
H95027	2127	EASY MIX	SPOUSE	COETZEE G	Overstrand Municipality	Principle Technician - Building Control	R 289,183.73
H95004	2093	ECO CREATIONS	SPOUSE	DE JAGER H	Cape Agulhas Municipality	Clerk: Rates	R 881,455.66
				RAINBIRD L	Overstrand Municipality	Horticulturist	
				REYNBURN L	Department of Trade and Industry	Member of the Competition Tribunal	
H95504	2652	EDWARD NATHAN SONNENBERGS INC	FAMILY	COODE K	Companies and Intellectual Property Commission	Director: Education and Compliance	R 3,649,558.38
				LEWIS C	Department of Justice	Judge	
				VAN NIEKERK L	National Prosecuting Authority	Senior State Advocate	
H91909	1372	ELCO TUINDIENSTE	INLAW	COETZEE JG	Overstrand Municipality	Teacher	R 29,835.00
G93522	2471	EMMENEM KONSTRUKSIE	SPOUSE	DUNSDON EM	Department of Education		R 56,850.00
H93339	266	ENGELBRECHT & SCORGIE TEKENKAN	SPOUSE	ENGELBRECHT C	Overstrand Municipality	Administrator: ICT	R 260,256.97
H95367	2512	EROLD WESSELS MAINTENANCE	FAMILY	WILLIAMS J	Western Cape Provincial Traffic Department	Traffic Officer	R 12,600.00
G93222	688	EUROPA E (ELSA KONSTRUKSIE)	INLAW	JANTJIES L	Overstrand Municipality	Store Attendant	R 79,000.00
				JUMAT K		Driver	
				EUROPA D		Nature Conservation	
K900575	1769	FLORIS SM	BROTHER	FLORIS A	Overstrand Municipality		R 23,285.00
H95375	2523	GATEWAY PAVERS CC	SPOUSE	BAARDMAN M	Overstrand Municipality	Chief Clerk: Rates & Housing	R 29,350.00
H94686	1822	GERRIT VISSER ONDERHOUDSWERK	SPOUSE	VISSER A	Overstrand Municipality	Snr Clerk: Internal Management	R 10,651.65
H91522	637	HERMANUS TOWING CC	SPOUSE	MINNAAR L	Overstrand Municipality	Principle Clerk: Property	R 18,874.60
H95417	2573	HYCO (HYCO HYDRAULICS AND PHEU	CHILD	JONES MM	Department of Sports, Arts and Culture	Administrative Clerk	R 3,990.00
G93413	1905	JANTJIES C	SPOUSE	JANTJIES L	Overstrand Municipality	Store Attendant	R 2,800.00
H94005	790	JEFFREY NKANUNU CONSTRUCTION C	SPOUSE	NKANUNU NA	Overstrand Municipality	General Assistant Cleaners	R 13,464.00
H94163	1036	JUDITH'S CATERING	AUNT	FORTUIN C	Overstrand Municipality	Clerk: Rates	R 3,520.00
H91845	1478	MCINJANA TOURS	CHILD	MCINJANA TT	Overstrand Municipality	Law Enforcement	R 34,640.00

H93350	649	MCNEIL DJ (MAC THATCHERS)	BROTHER	MCNEIL G	Department of Education	Teacher	R	21,639.00
G004644	1908	MIGGELS D	INLAW	SHERIFF F	Overstrand Municipality	General Assistant: Water	R	26,600.00
H95368	2514	MRUBATA CUPBOARDS AND RENOVATI	BROTHER	MRUBATA P		General Assistant: Cemeteries	R	4,620.30
H91745	1338	NEL MIM	SPOUSE	NEL JG	Overstrand Municipality	Streets and Stormwater	R	2,760.00
H95461	2608	NKWENKWEZI BUILDERS	SISTER	NKWENKWEZI N	Overstrand Municipality	Parking Marshall	R	8,265.00
H95411	2569	NORTHCLIFF HOUSE COLLEGE	SPOUSE	MATSCHE W	Overstrand Municipality	Principle Clerk: Creditors	R	11,800.00
H94455	1468	OUTDOOR ILLUMINATION CC	SPOUSE	VD MERWE K	Overstrand Municipality	HR Practitioner Admin Officer: Property	R	382,052.11
H91398	1295	PJTC CONSTRUCTION CC	FAMILY	FORTUIN C	Overstrand Municipality	Clerk: Rates	R	14,345.00
H93951	623	QUINTESSENTIAL SECURITY CC	SPOUSE	VAN TONDER H	Overstrand Municipality	Manager: Council Services Support	R	2,177,753.36
H93981	693	RHODE BROS STEEL PROJECTS CC	CHILD	RHODE D	SAPS	Police Officer	R	70,452.00
H94674	1800	SALES A	SPOUSE	SALES E	Overstrand Municipality	Personal Assistant: Infrastructure & Planning	R	21,236.00
H90587	1741	SOLOMON'S WINDOW CLEANING SERV	SPOUSE	MANANGA NP	Department of Social Development (SASSA)	Contract	R	5,000.00
K94534	2322	SWARTZ L	CHILD	SWARTZ CC			R	2,320.00
H000515	1114	TOPS TIMBERS	INLAW	PRETORIUS R	Overstrand Municipality	PA to the Municipal Manager	R	4,300.00
G93473	2209	VERIFLOW VALVES AND INDUSTRIAL	FAMILY	LOURENS C	Overstrand Municipality	Buyer	R	5,355.72
				LOURENS A	Overstrand Municipality	Supervisor: Carpentry		
H91183	585	WALLY'S PANELBEATERS	SPOUSE	WILLIAMS J	Overstrand Municipality	Clerk: License & Registration	R	72,510.00
G004307	1277	WILLOUCON CC	CHILD	KRIEL JGF	Overstrand Municipality	Electrician	R	136,463.70
Total							R	18,006,408.19

Appendix A

June 2013

Schedule of external loans as at 30 June 2013

Loan Number		Redeemable	Balance at 30 June 2012 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2013 Rand
Development Bank of South Africa						
DBSA @ 7.894%	13535/102	2020	2,512,779	-	157,049	2,355,730
DBSA @ 7.894%	13543/101	2019	2,188,918	-	136,807	2,052,111
DBSA @ 7.594%	13761/101	2020	2,216,326	-	130,372	2,085,954
DBSA @ 12.00%	10450/102	2017	598,880	-	93,560	505,320
DBSA @ 9.86%	102169/1	2022	13,753,977	-	413,465	13,340,512
DBSA @ 10.92%	103946/1	2026	56,000,000	-	2,000,000	54,000,000
DBSA @ 10.60%	103946/2	2026	90,000,000	-	-	90,000,000
			167,270,880	-	2,931,253	164,339,627
Lease liability						
SHARP @ 15.07%		2014	726,570	-	244,956	481,614
NASHUA @ 9.00%		2014	271,199	-	129,524	141,675
CAPE OFFICE @ 16.37%		2015	-	139,289	35,224	104,065
SHARP @ 13.74%		2014	-	32,204	15,004	17,200
			997,769	171,493	424,708	744,554
Annuity loans						
ABSA @ 10.38%	3029589816	2024	64,038,694	-	2,684,130	61,354,564
ABSA @ 10.44%	4073054262	2024	36,029,495	-	1,605,815	34,423,680
ABSA @ 10.82%	4073923493	2024	37,956,907	-	1,661,161	36,295,746
ABSA @ 7.92%	2879000653	2020	-	7,000,000	-	7,000,000
ABSA @ 9.11%	2879000652	2028	-	31,700,000	-	31,700,000
INCA @ 12.82%	20030226	2012	1,708,296	-	1,708,296	-
INCA @ 10.09%		2022	50,000,000	-	2,963,333	47,036,667
			189,733,392	38,700,000	10,622,735	217,810,657
Total external loans						
Development Bank of South Africa			167,270,880	-	2,931,253	164,339,627
Lease liability			997,769	171,493	424,708	744,554
Annuity loans			189,733,392	38,700,000	10,622,735	217,810,657
			358,002,041	38,871,493	13,978,696	382,894,838

Analysis of property, plant and equipment as at 30 June 2013 **Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings													
Land (Separate for AFS purposes)	341,198,078	1,346,702	-	(751,394)	-	341,793,386	-	-	-	-	(425,208)	(425,208)	341,368,178
Buildings (Separate for AFS purposes)	131,275,386	3,319,769	(2,160,000)	1,568,432	-	134,003,587	(16,289,750)	432,000	-	(5,467,015)	-	(21,324,765)	112,678,822
	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,467,015)	(425,208)	(21,749,973)	454,047,000
Infrastructure													
Roads, Pavements & Bridges	1,681,247,692	24,607,400	(1,137,765)	-	-	1,704,717,327	(810,844,489)	572,973	-	(27,879,194)	-	(838,150,710)	866,566,617
Storm water	212,833,881	6,107,356	-	-	-	218,941,237	(137,175,624)	-	-	(2,023,063)	-	(139,198,687)	79,742,550
Electricity	978,804,938	26,767,541	-	-	-	1,005,572,479	(378,068,944)	-	-	(18,750,957)	-	(396,819,901)	608,752,578
Water	1,318,754,827	50,766,455	(12,569,958)	-	-	1,356,951,324	(899,254,329)	12,425,936	-	(16,105,729)	-	(902,934,122)	454,017,202
Sewerage	694,528,108	14,620,876	-	-	-	709,148,984	(314,875,555)	-	-	(13,390,716)	-	(328,266,271)	380,882,713
Solid waste disposal	41,696,593	5,527,673	-	-	-	47,224,266	(9,837,468)	-	-	(2,255,989)	-	(12,093,457)	35,130,809
Security measures	14,154,070	-	-	(644,551)	-	13,509,519	(9,962,646)	-	-	(618,254)	-	(9,580,900)	3,928,619
	4,942,020,109	128,397,301	(13,707,723)	(644,551)	-	5,056,065,136	(2,559,019,055)	12,998,909	-	(81,023,902)	-	(2,627,044,048)	2,429,021,088
Community Assets													
Recreational facilities	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524

Analysis of property, plant and equipment as at 30 June 2013
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets													
Conservation areas	107,635,535	-	-	-	-	107,635,535	-	-	-	-	(9,230,000)	(9,230,000)	98,405,535
Mayoral chains	99,309	-	-	-	-	99,309	-	-	-	-	-	-	99,309
Parks	817,200	-	-	-	-	817,200	-	-	-	-	-	-	817,200
	108,552,044	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Other assets													
General vehicles	54,781,806	3,825,501	(1,456,064)	-	-	57,151,243	(20,269,587)	1,024,180	-	(2,360,335)	-	(21,605,742)	35,545,501
Furniture and Fittings	2,334,313	58,809	(26,429)	-	-	2,366,693	(1,275,445)	17,253	-	(254,204)	-	(1,512,396)	854,297
Office Equipment	14,095,609	1,995,927	(487,211)	-	-	15,604,325	(5,753,670)	389,891	-	(1,947,533)	-	(7,311,312)	8,283,013
	71,211,728	5,880,237	(1,969,704)	-	-	75,122,261	(27,298,702)	1,431,324	-	(4,562,072)	-	(30,429,450)	44,692,811

Appendix B

June 2013

Analysis of property, plant and equipment as at 30 June 2013

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Fair value Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment													
Land and buildings	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,467,015)	(425,208)	(21,749,973)	454,047,000
Infrastructure	4,942,020,109	128,397,301	(13,707,723)	(644,551)	-	5,056,065,136	2,559,019,055	12,998,909	-	(81,023,902)	-	2,627,044,048	2,429,021,088
Community Assets	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
Heritage assets	108,552,044	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Other assets	71,211,728	5,880,237	(1,969,704)	-	-	75,122,261	(27,298,702)	1,431,324	-	(4,562,072)	-	(30,429,450)	44,692,811
	5,710,836,718	141,545,358	(17,837,427)	(575,394)	-	5,833,969,255	2,637,822,962	14,862,233	-	(95,703,851)	(9,655,208)	2,729,319,788	3,105,649,467
Intangible assets													
Computers - software & programming	1,731,401	1,273,858	-	-	-	3,005,259	(544,136)	-	-	(372,536)	-	(916,672)	2,088,587
Water rights	2,360,000	-	-	-	-	2,360,000	-	-	-	-	-	-	2,360,000
	4,091,401	1,273,858	-	-	-	5,365,259	(544,136)	-	-	(372,536)	-	(916,672)	4,448,587
Investment properties													
Investment property	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
Total													
Land and buildings	472,473,464	4,666,471	(2,160,000)	817,038	-	475,796,973	(16,289,750)	432,000	-	(5,467,015)	(425,208)	(21,749,973)	454,047,000
Infrastructure	4,942,020,109	128,397,301	(13,707,723)	(644,551)	-	5,056,065,136	2,559,019,055	12,998,909	-	(81,023,902)	-	2,627,044,048	2,429,021,088
Community Assets	116,579,373	2,601,349	-	(747,881)	-	118,432,841	(35,215,455)	-	-	(4,650,862)	-	(39,866,317)	78,566,524
Heritage assets	108,552,044	-	-	-	-	108,552,044	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Other assets	71,211,728	5,880,237	(1,969,704)	-	-	75,122,261	(27,298,702)	1,431,324	-	(4,562,072)	-	(30,429,450)	44,692,811
Intangible assets	4,091,401	1,273,858	-	-	-	5,365,259	(544,136)	-	-	(372,536)	-	(916,672)	4,448,587
Investment properties	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	-	-	-	175,866,200
	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	(96,076,387)	(9,655,208)	2,729,236,460	3,285,964,254

Segmental analysis of property, plant and equipment as at 30 June 2013 Cost/Revaluation

Accumulated Depreciation																					
	Opening Balance Rand	Additions		Disposals		Transfers		Fair Value		Closing Balance Rand	Opening Balance Rand	Disposals		Transfers		Depreciation		Impairment deficit		Closing Balance Rand	Carrying value Rand
		Rand		Rand		Rand		Rand				Rand		Rand		Rand		Rand			
Municipality																					
Executive and Council	108,552,044	-	-	-	-	-	-	-	-	108,552,044	-	-	-	-	-	-	-	-	(9,230,000)	(9,230,000)	99,322,044
Corporate Services	75,303,129	7,154,094	(1,969,704)	-	-	-	-	-	-	80,487,519	(27,842,838)	1,431,324	-	-	-	-	(4,920,236)	-	(31,331,750)	49,155,769	175,866,200
Planning and Development	104,672,500	945,000	(55,000)	21,149,090	49,154,610	175,866,200	-	-	-	475,796,973	(18,289,750)	432,000	-	-	-	(5,481,387)	-	(425,208)	-	454,032,628	
Community and Social	472,473,464	4,666,471	(2,160,000)	817,038	-	-	-	-	-	475,796,973	(8,962,646)	-	-	-	-	(618,254)	-	-	-	3,928,619	
Public Safety	14,154,070	-	-	(544,551)	-	-	-	-	-	13,509,519	(35,215,455)	-	-	-	-	(4,650,862)	-	-	-	78,566,524	
Sport and Recreation	116,579,373	2,601,349	-	(747,881)	-	-	-	-	-	118,432,841	(461,888,647)	-	-	-	-	(17,669,768)	-	-	-	495,756,072	
Waste Management	949,058,582	26,255,905	-	-	-	-	-	-	-	975,314,487	(810,844,489)	572,973	-	-	-	(27,879,194)	-	-	-	866,566,617	
Road Transport/Roads	1,681,247,692	24,607,400	(1,137,765)	-	-	-	-	-	-	1,704,717,327	(899,254,329)	12,425,936	-	-	-	(16,105,729)	-	-	-	454,017,203	
Water/Water Distribution	1,318,754,827	50,766,456	(12,569,958)	-	-	-	-	-	-	1,356,951,325	(378,068,944)	-	-	-	-	(18,750,957)	-	-	-	608,752,578	
Electricity/Electricity Distribution	978,804,938	26,767,541	-	-	-	-	-	-	-	1,005,572,479	(2,638,367,098)	14,862,233	-	-	-	(96,076,387)	-	-	-	3,285,964,254	
Total	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	-	-	-	-	-	-	-	-	-	-	-	
Municipality																					
Executive and Council	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	-	-	-	-	-	-	-	-	-	-	-	
Total	5,819,600,619	143,764,216	(17,892,427)	20,573,696	49,154,610	6,015,200,714	2,638,367,098	14,862,233	-	-	-	-	-	-	-	-	-	-	-	-	

Appendix D

June 2013

Segmental Statement of Financial Performance for the year ended Prior Year Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
31,553,102	75,849,877	(44,296,775)	Executive & Council/Mayor and Council	38,425,068	86,127,345	(47,702,277)
154,804,763	75,739,666	79,065,097	Finance & Admin/Finance	137,379,813	51,536,361	85,843,452
2,223,335	42,281,395	(40,058,060)	Planning and Development/Economic Development/Plan	7,907,079	38,301,888	(30,394,809)
2,165,366	27,892,647	(25,727,281)	Comm. & Social/Libraries and archives	2,538,388	28,908,082	(26,369,694)
3,964,696	55,838,501	(51,873,805)	Housing	18,644,506	5,278,837	13,365,669
10,047,692	36,811,989	(26,764,297)	Public Safety/Police	12,541,233	42,093,112	(29,551,879)
6,608,688	18,360,633	(11,751,945)	Sport and Recreation	7,761,749	19,210,983	(11,449,234)
298,796	6,002,036	(5,703,240)	Environmental Protection/Pollution Control	64,829	6,433,345	(6,368,516)
79,685,726	48,376,297	31,309,429	Waste Water Management/Sewerage	68,755,807	56,778,290	11,977,517
3,862,822	85,307,856	(81,445,034)	Road Transport/Roads	10,594,972	84,221,105	(73,626,133)
111,680,239	84,067,422	27,612,817	Water/Water Distribution	96,578,920	85,498,520	11,080,400
238,198,889	209,264,891	28,933,998	Electricity /Electricity Distribution	249,503,229	223,901,903	25,601,326
8,663,524	59,121,414	(50,457,890)	Corporate Services	54,740,855	69,618,445	(14,877,590)
39,877,558	44,231,113	(4,353,555)	Waste Management	46,910,531	46,736,730	173,801
693,635,196	869,145,737	(175,510,541)		752,346,979	844,644,946	(92,297,967)
Municipal Owned Entities						
Other charges						
-	(93,898,540)	93,898,540		-	(99,500,000)	99,500,000
-	(93,898,540)	93,898,540		-	(99,500,000)	99,500,000
693,635,196	869,145,737	(175,510,541)	Municipality	752,346,979	844,644,946	(92,297,967)
-	(93,898,540)	93,898,540	Other charges	-	(99,500,000)	99,500,000
693,635,196	775,247,197	(81,612,001)	Total	752,346,979	745,144,946	7,202,033

Appendix E(1)

June 2013

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2013

	Current year 2013 Act. Bal.	Current year 2013 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand		
Revenue					
Property rates	116,321,052	118,129,233	(1,808,181)	(1.5)	
Service charges	437,030,176	447,227,590	(10,197,414)	(2.3)	
Rental of facilities and equipment	7,208,321	8,192,103	(983,782)	(12.0)	Refer to note 58
Licences and permits	1,968,301	1,856,732	111,569	6.0	
Property rates - penalties imposed	914,328	1,000,000	(85,672)	(8.6)	
Fines	6,643,860	6,249,064	394,796	6.3	
Agency services	2,025,238	2,081,257	(56,019)	(2.7)	
Other income	21,812,393	20,467,807	1,344,586	6.6	
Public contributions	5,289,119	500,000	4,789,119	957.8	Refer to note 58
Government grants	95,488,947	103,357,621	(7,868,674)	(7.6)	
Interest received	9,752,077	9,920,140	(168,063)	(1.7)	
	704,453,812	718,981,547	(14,527,735)	(2.0)	
Expenses					
Employee costs	(231,525,475)	(227,845,392)	(3,680,083)	1.6	
Remuneration of councillors	(7,084,131)	(7,101,045)	16,914	(0.2)	
Depreciation	(96,076,386)	(105,545,478)	9,469,092	(9.0)	
Impairments	(9,204,060)	(1,872,000)	(7,332,060)	391.7	Refer to note 58
Finance costs	(37,309,747)	(38,053,939)	744,192	(2.0)	
Debt impairment	(934,421)	(1,000,000)	65,579	(6.6)	
Materials	(12,446,782)	(13,279,175)	832,393	(6.3)	
Bulk purchases	(145,021,600)	(143,721,300)	(1,300,300)	0.9	
Contracted Services	(67,606,241)	(71,860,978)	4,254,737	(5.9)	
Grants and subsidies paid	(35,856,345)	(35,975,000)	118,655	(0.3)	
General Expenses	(102,079,761)	(112,727,240)	10,647,479	(9.4)	
	(745,144,949)	(758,981,547)	13,836,598	(1.8)	
Other revenue and costs					
Gain or loss on disposal of assets and liabilities	(1,755,579)	-	(1,755,579)	100.0	Refer to note 58
Fair value adjustments	49,648,749	-	49,648,749	100.0	Refer to note 58
	47,893,170	-	47,893,170	-	
Net surplus/ (deficit) for the year	7,202,033	(40,000,000)	47,202,033	118.0	

Appendix E(2)

June 2013

Budget Analysis of Capital Expenditure as at 30 June 2013

	Additions	Revised Budget	Variance	Variance	Explanation of significant
	Rand	Budget Rand	Rand	%	variances from budget
Municipality					
Planning and Development	3,135,483	3,388,228	252,745	7	
Comm. & Social/Libraries and archives	1,162,309	2,101,161	938,852	45	Refer to note 58
Housing	16,650,723	23,548,000	6,897,277	29	Refer to note 58
Public Safety	223,015	327,449	104,434	32	Refer to note 58
Sport and Recreation	1,971,124	2,024,293	53,169	3	
Waste Water Management/Sewerage	21,331,122	22,867,393	1,536,271	7	
Road Transport/Roads	10,719,798	10,719,798	-	-	
Water/Water Distribution	48,946,027	56,878,743	7,932,716	14	Refer to note 58
Electricity /Electricity Distribution	22,474,741	28,341,417	5,866,676	21	Refer to note 58
Corporate Services	11,790,648	10,304,020	(1,486,628)	(14)	Refer to note 58
Waste Management	5,359,226	7,000,000	1,640,774	23	Refer to note 58
	143,764,216	167,500,502	23,736,286	14	

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MIFMA, 56 of 2003
June 2013

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Mar	Jun	Sep	Dec			
FMG	Nat Treasury	1,250	-	-	-	122	100	114	914	-	-	-	-		Yes	
MSIG	Nat Treasury	800	-	-	-	14	148	197	441	-	-	-	-		Yes	
MIG	Nat Treasury	6,106	7,766	3,075	-	1,327	2,203	3,717	9,700	-	-	-	-		Yes	
NDPG	Nat treasury	2,418	-	-	-	985	1,433	-	-	-	-	-	-		Yes	
RBIG	Nat Treasury	7,778	6,541	855	-	4,428	10,746	-	-	-	-	-	-		Yes	
EPWP	PAWC	400	600	332	-	227	205	576	324	-	-	-	-		Yes	
INEG	DME	1,800	-	-	-	-	-	-	1,800	-	-	-	-		Yes	
Library	PAWC	446	129	129	-	77	246	178	203	-	-	-	-		Yes	
Comm. Dev. Workers	PAWC	81	-	-	-	12	13	11	45	-	-	-	-		Yes	
Prov road sub. education	PAWC	-	-	65	-	25	-	-	40	-	-	-	-		Yes	
Housing cons. education	PAWC	-	-	-	-	-	-	12	7	-	-	-	-		Yes	
Social housing	PAWC	190	9,577	10,585	-	1,809	2,554	5,627	8,130	-	-	-	-		Yes	
Mobility strategy	PAWC	-	-	-	-	-	7	5	213	-	-	-	-		Yes	
Public trans. Infrastructure	PAWC	-	-	1,500	-	-	-	-	-	-	-	-	-		Yes	
Thusing service centre	PAWC	-	-	218	-	-	-	-	218	-	-	-	-		Yes	
		21,269	24,613	16,759	-	9,026	17,655	10,437	22,035	-	-	-	-			

Note: Above values are presented to the nearest R'000.